

THE TIMES Tomorrow

As former US Secretary of State, Henry Kissinger, arrives in London, The Times Portrait assesses the status of President Nixon's sometimes right-hand man who continues to act as a freelance, globe-trotting statesman.

In Spectrum, Robert Fisk tells of the time Churchill bargained with De Valera - offering a unified Ireland if the Republic joined the Allied war effort. An extract from Fisk's forthcoming history of Ireland, "Is Time of War?"

Fashion is for rainy day women. Suzy Menkes reports on what is being worn in the April showers.

And the first pocket cartoon from Barry Fantoni, every day from tomorrow in the Times Diary.

Computer Horizons tomorrow explores the unexpected in the cellars of an old London pub and reports on the benefits that computers are bringing to blind people.

Concern at expulsions in Moscow

The Russians are showing signs of wishing to end the cycle of expulsions. Apparently Soviet leaders are concerned at deteriorating relations with Western Europe while they are trying to detach Europeans from America at the Geneva arms talks. Page 8

CND to fight in marginals

The Campaign for Nuclear Disarmament has declared war on the Government in marginal seats in the general election. It will ask candidates where they stand on nuclear issues. Page 2

Recovery hope

Britain is on the brink of a sustained economic recovery, according to Mr Robin Leigh-Pemberton, governor-elect of the Bank of England. Page 17

Star's operation

Ethel Merman, the 78-year-old stage and screen star, who is recovering from a successful operation to remove a brain tumour in a New York hospital.

Brazilian fears

Brazilians' faith in the future is being seriously eroded for the first time by the economic crisis which has brought high inflation and heavy unemployment. Page 6

Demolition job

A concrete factory in Cranleigh, Surrey, was partly demolished by a squad said to have been brought in by property developers. Page 2

Gibraltar hope

A letter from the Defence Secretary indicated that dialogue on closure of the naval dockyard was still open, Gibraltar's union leader said. Page 6

De Lorean debt

A new attempt has been launched to help British creditors retrieve some of the £43m owed to them after the collapse of the De Lorean car company. Page 17

Cup finalists

Manchester United, conquerors of Arsenal, and Brighton, conquerors of Sheffield Wednesday, will contest the FA Cup Final at Wembley on May 21. Page 25

Leader page 13
Letters: Third World Aid from the Director General of Oxfam, and Mr Melvyn Westlake; Citizens Advice Bureau from the Chairman of the Association of CABs, and Mr Benedict Birnberg; the BL strike by Mr P. R. Coad, and Mr B. St John Ball.
Leading articles: Chancellor Kohl in Washington; Expelled Romanian.
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Poland and the Jews: a war wound reopened; the rise of the new radical right; Gerald Kaufman describes some election dangers for the Tories.
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Gyula Illyes, Mr Gilbert Howe

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Thatcher to be told Fortress Falklands policy is untenable

By Philip Webster, Political Reporter

The Government is likely to be told soon by an all-party committee, in which its own supporters predominate, that its policy of Fortress Falklands, however necessary in the short term, does not offer a stable long-term future for the islands. Although it is expected to receive full backing for its present stance of keeping a strong British garrison on the islands to defend them against a renewed attack, and of not embarking on immediate negotiations with Argentina, the Government will be advised that it should turn its back on future talks with the Argentines to achieve a negotiated settlement.

The consensus of such a posture is believed to have emerged among Labour and Conservative members of the Commons Select Committee on Foreign Affairs after a six-month inquiry into the future of British foreign policy towards the Falklands. During the committee's deliberations it visited the islands and the United Nations. The committee will begin its detailed work of considering, revising and amending the draft on Wednesday.

Rejection of the long-term efficacy of Fortress Falklands by such a powerful committee, and its apparent willingness at least to countenance a future transfer of sovereignty is bound to embarrass the Government. The report is expected to be published next month.

Mrs Margaret Thatcher said on the day that the Franks report was published that Britain had no option but to pursue its Fortress Falklands policy. Her ministers, including Mr Cranley Onslow, the Minister of State at the Foreign Office, have since repeated this on many occasions as well as in evidence to the committee. They have carefully refrained, however, from putting any timescale on such a policy.

A report which puts much emphasis on its limitations will not be welcomed. Neither will its apparent conclusion that Britain should indicate to the UN its willingness to resume negotiations with Argentina after a renunciation of the use of force by the Argentine Government.

The committee which undertook a wide-ranging study of the various options for the future of the Falklands, apparently found that some of the arguments advanced against Fortress Falklands were unjustified, particularly those which said it was damaging Britain's international relations or that it would destroy the economy and character of life on the Falklands. However, members are understood to have concluded

that the policy carries heavy political and material costs, that it is inflexible and that the perpetual maintenance of the status quo would have adverse implications for the wider conduct of foreign policy.

It is believed that they have concluded that diplomatic, military, financial and economic problems would continue for Britain and the Falklands unless, or until, a negotiated settlement with Argentina is achieved.

The possibility of the conflict spreading to Antarctica was not discounted. The committee also felt that for Britain to pursue its decolonization policies in respect of its remaining dependencies but not in the Falklands might be seen to be inconsistent.

The committee's recommendations about future policy may also prove to be controversial. Of all the options it considered, it is understood to have concluded that the leaseback solution still represents the best long-term solution to the dispute.

However, it accepts that for such an arrangement to be remotely acceptable to the islanders, its timescale would have to extend over the span of several generations of Falkland islanders.

Families' pledge, page 3

Duffy initiative to end BL strike

From Barrie Clement, Eastbourne

A new initiative to end the three-week strike at BL's Cowley plant was launched yesterday by Mr Terence Duffy, president of the Amalgamated Union of Engineering Workers.

He said there could be a compromise over the three-minute washing-up period at the end of each shift, the issue at the centre of the stoppage, which involves 1,600 of his members.

This contradicts the public pronouncements so far by leaders of the 2,400 Transport and General Workers Union members on strike and will be seen by the company as a sign of a split in the ranks.

Mr Duffy, who was at his union's annual conference in Eastbourne, was last night trying to contact Mr Mostyn Evans, general secretary of the TGWU, who is attending the Scottish TUC congress.

Mr Duffy said a solution could be reached around compensatory payment for the loss of the three-minute period.

"The problem is that men at Cowley leave the factory three minutes before they do at other plants."

He said it was not an insurmountable problem and he insisted that there was no sign of disunity between the TGWU and the AUEW. He said a letter sent by the company to the strikers, threatening them with dismissal, was "a bluff".

The TGWU and the AUEW had indicated a willingness to talk to BL about extra output of Maestro cars without ending washing-up time.

If this peace overture failed the TGWU would call a meeting of all its convenors and senior shop stewards from BL plants throughout the country, which could plunge the state-owned motor company into an all-out conflict.

The determined union stance emerged only hours after Mr Harold Musgrove, chairman of BL's Austin Rover group, had warned that the company's dismissal ultimatum was "no idle threat. Neither is it a bluff".

Speaking at a press conference in Coventry, Mr Musgrove said workers who do not report tomorrow will be deemed to have dismissed themselves.

Mr Musgrove yesterday: "Not bluffing"

Militia stop ghetto tribute in Warsaw

From Roger Boyes, Warsaw

Carrying daffodils and candles, more than 1,000 Polish Jews and Solidarity sympathizers staged a peaceful demonstration yesterday on the site of the former Warsaw ghetto but were broken up by police.

Including two coaches of placards against the demolition of the ghetto, the demonstrators were led away to militia vans parked in side streets.

The demonstrators had gathered at the former Umschlagplatz - the square where the ghetto Jews were rounded up by Nazi troops during the war - and after being dispersed by the several hundred militiamen, rallied around a memorial. There they listened to two short speeches and sang anthems before again being ordered to leave by the police who had encircled the demonstration. The ceremony, which marks the fortieth anniversary of the ghetto uprising against the Nazis, twinned tributes to the Jewish resistance with the struggle to keep alive the ideals of Solidarity.

The heavy police presence was a sign of the high security alert in the Polish capital at present. The lead-up to May Day, when large street protests are planned, and the presence in Warsaw of more than 1,000 official Jewish delegates from all over the world has heightened the sense of tension. Commando troops now guard the foyers of all the main hotels, presumably to ward off Arab attacks on the Jewish delegates.

The increased activity of the underground and the apparent involvement in it of Mr Lech Walesa, the former Solidarity chairman, has put the Catholic Church leadership in something of a dilemma, as the bishops know that the Government could recommend the postponement of the planned papal visit in June if there is widespread social unrest.

New wounds, page 12

New Zealand welcomes royal couple

By Our Foreign Staff

Crowds of well wishers welcomed the Prince and Princess of Wales and their baby son to Auckland yesterday when they arrived from Australia to begin a two-week tour of New Zealand.

Police, who have mounted the biggest operation yet for a visiting royal tour, reported no untoward incidents, although about 100 protesters - mostly Maori activists - were at the airport.

For most of the stay the royal couple will be based in Auckland; but they will make a three-day visit to Wellington and stay overnight in Christchurch.

Buckingham Palace yesterday denied the Princess was expecting her second baby.

Heart-winning Princess, page 7

Share index poised to break through 700

Share prices are expected to continue their record run with the Financial Times 30-share index set to rise above 700 for the first time after the recent cheerful economic and political news.

The index has leapt 40.4 since Easter, closing at a peak of 693.5 on Friday after the recovery in the pound on the foreign exchange markets and last week's half-point cut in bank base rates to 10 per cent.

City experts believe that the worst of the recession is over and a recovery, albeit slow, is under way.

Sir Terence Beckett, director-general of the Confederation of British Industry, predicts a 3½ per cent increase in productivity this year against the Government's more cautious estimates of only 2½ per cent.

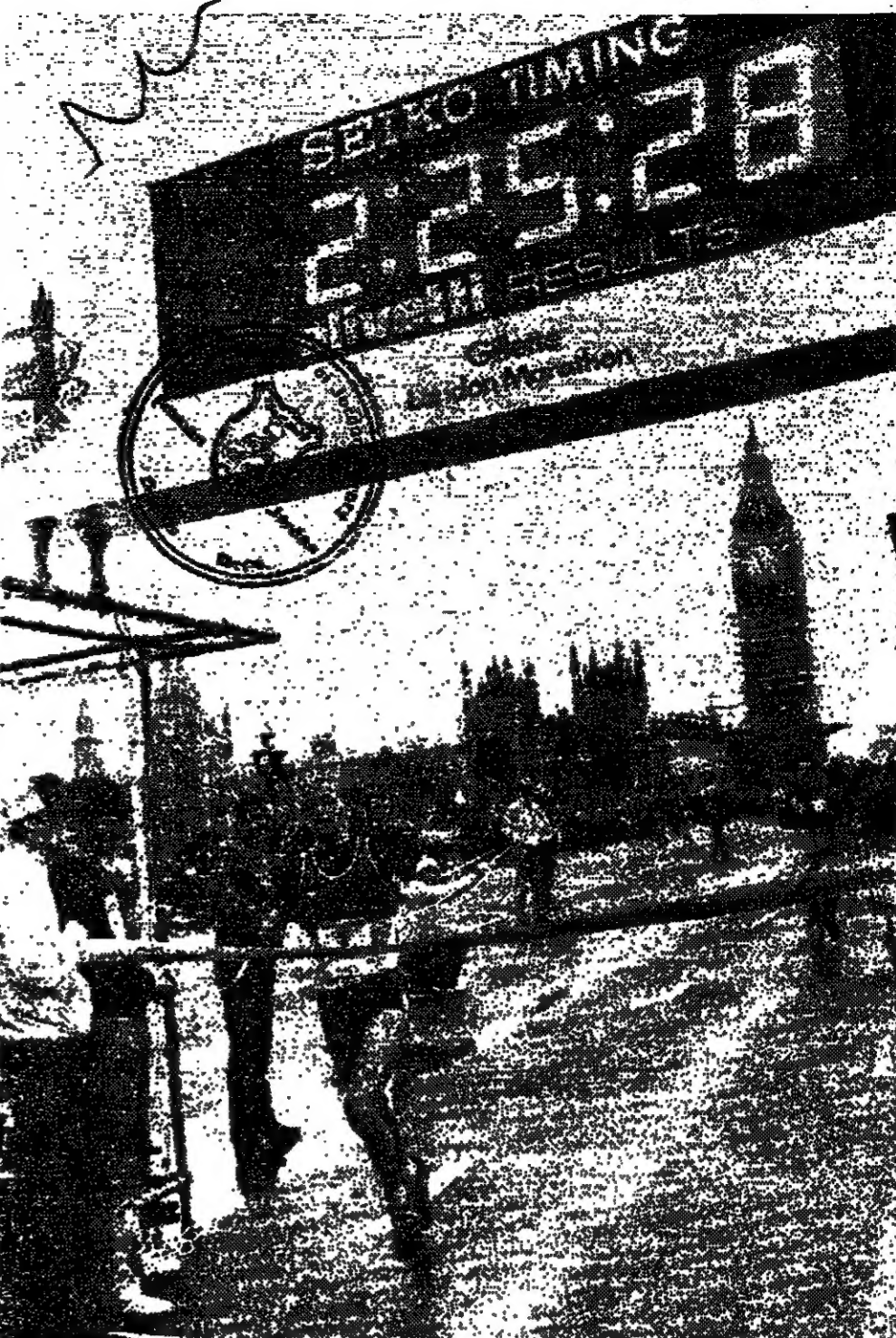
Other leading world stock markets are echoing similar views, including Wall Street where the Dow Jones Industrial Average rose by more than 46 points last week to a record 1,171.34.

US interest rates are expected to continue falling from their present level of 10½ per cent as the economic recovery continues.

This should prove good news for the pound, already benefiting from a stable oil price and the first signs of demand picking up.

Some economists believe that British interest rates could fall further - possibly to 7 or 8 per cent.

Last week's optimism added nearly £4,000m to the value of shares quoted on the London stock market.



With Greta Waltz only inches from the finish, the clock shows 2hr 25min 28sec. A fraction later, as she bursts the tape, the clock is unchanged. (Photographs: John Voos)

Marathon woman robbed by a fraction

By Rupert Morris

After racing 26 miles and 385 yards through the streets of London, Greta Waltz was cheated of a new women's world marathon record by a fraction of a second yesterday.

A cheering and screaming crowd had urged her over Westminster Bridge, and as she passed the finishing line below the huge electronic clock showing two hours, 25 minutes and 28 seconds, they were convinced they had seen a new world record.

So was the Norwegian Miss Waltz. She appeared in the press room believing she had broken Allison Roe's record by a second. When asked how she felt, she said: "Well don't forget Roe and Benoit (Joan Benoit of the United States) are going for the record in the Boston marathon later today, so I don't know how long my record will last."

Miss Waltz's "record" time was flashed round the world and it was more than an hour later that the embarrassed organizers issued a correction.

Her full time had been 2hr 25min 28.66sec, but the hundredths of a second not shown on the clock had to be rounded up to 2:25:29, equalling Miss Roe's best.

The time for the race winner, Michael Gratton, of Canterbury, Kent, was also rounded up to 2:09:43.

But hundreds of a second meant little to the small band of bedraggled figures wrapped in silver foil seen wandering away from County Hall much later in the day.

They were the remnants of the third Gillette London Marathon, an event that now has a firm place in the international sporting calendar and in the minds of runners of all abilities who simply enjoy taking part.

Perhaps it was this spirit that persuaded Mr Christopher Brasher, the former Olympic athlete who is the event's chief organizer, and the Greater London Council, to settle their differences and agree on a date for next year's London Marathon.

Reactions behind the scenes over the participation of wheelchair competitors, and the conflicting demands of money-wise public relations men and Labour ideologues on the GLC, had been such that it had been rumoured that this might be the last marathon.

But Mr Brasher and Mr Tony Banks, Chairman of the GLC Arts and Recreation Committee, yesterday issued a joint statement congratulating themselves on "a lustrous and enjoyable event", and looking forward to a repeat on May 13, 1984.

This will be welcome news for the hundreds of thousands who huddled under umbrellas all along the route to cheer the athletes on. Real marathon enthusiasts were breathing in the damp morning air and the

Continued on back page

Chancellor widens June poll chance

By Philip Webster, Political Reporter

The odds on a June general election hardened over the weekend when it emerged that Sir Geoffrey Howe, the Chancellor of the Exchequer, is among the ministers who favour a June poll, like Mr Cecil Parkinson, the party chairman, and Mr Norman Tebbit, Secretary of State for Employment, the local elections on May 5 will be decisive.

For the ministers now ready to be convinced about June the anticipated rise in the unemployment figures in the autumn because of the impact of the higher than average number of school-leavers is an important factor.

Mr Roy Jenkins, leader of the Social Democrats, yesterday attacked Labour's recently published campaign document, *The New Hope for Britain*. He suggested that it would be more appropriately entitled "no hope for Britain".

Reports that right-wing union leaders have been secretly drawing up plans to persuade Mr Michael Foot to step down as leader of the Labour Party before the next election, were last night dismissed as "absolutely untrue" by Mr William Sirs, general secretary of the Iron and Steel Trades Confederation (our Labour Correspondent writes).

Far from being a recent convert to the June option it emerged yesterday that Sir Geoffrey has favoured it for some time and his advice is certain to weigh heavily with the Prime Minister.

June 23 or, more likely, June 30 were being canvassed yesterday as strong possibilities for the election date. Earlier dates in June were being discounted because it was felt the Prime Minister would be unwilling to launch the campaign until after the Williamsburg summit at the end of May which will again

Maxwell's ultimatum

The chairman of Oxford United Football Club, Mr Robert Maxwell, has threatened to resign unless the club supporters drop their opposition to his proposed merger with Reading.

Mr Maxwell, a millionaire publisher, has the approval of the Football League for a plan that would amalgamate the clubs from next season under the name Thames Valley Royals. The only previous attempt to merge two clubs

ended in failure 16 years ago when Brentford, backed by their supporters rejected an offer from neighbouring Queen's Park Rangers.

Yesterday officials of the Oxford supporters' club called the scheme "a crazy and unworkable idea" but Mr Maxwell, who saved Oxford from closure last season, said he would resign rather than abandon proposals which have been agreed with his opposite number at Reading. Report, page 25

Which of these languages would you like to speak?

Tick the one you want to speak in 3 months' time

- | | | |
|---|--|--|
| <input type="checkbox"/> Afrikaans | <input type="checkbox"/> German | <input type="checkbox"/> Malay |
| <input type="checkbox"/> American English | <input type="checkbox"/> German (intermediate) | <input type="checkbox"/> (Bahasa) Norwegian |
| <input type="checkbox"/> Arabic | <input type="checkbox"/> Greek | <input type="checkbox"/> Polish |
| <input type="checkbox"/> Chinese (Modern) | <input type="checkbox"/> Hebrew | <input type="checkbox"/> Portuguese |
| <input type="checkbox"/> Chinese (Mandarin) | <input type="checkbox"/> Hindi | <input type="checkbox"/> Russian |
| <input type="checkbox"/> Danish | <input type="checkbox"/> Icelandic | <input type="checkbox"/> Serbo-Croat |
| <input type="checkbox"/> Dutch | <input type="checkbox"/> Indonesian | <input type="checkbox"/> Spanish (Castilian) |
| <input type="checkbox"/> English (intermediate) | <input type="checkbox"/> Irish | <input type="checkbox"/> Spanish (Latin) |
| <input type="checkbox"/> English (advanced) | <input type="checkbox"/> Italian | <input type="checkbox"/> American Swedish |
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Moderates act to save Foot embarrassment over hard line on wages

From Paul Routledge, Labour Editor, Rothsay

Moderate trade union leaders moved quickly yesterday to minimize the potential political damage of a vote against all incomes policies, expected at the Scottish TUC conference on Wednesday.

That vote became a near certainty last night when Transport and General Workers' Union delegation agreed to support a hard-line motion from the Scottish miners and civil servants opposing any discussion on curbs on free collective bargaining.

But the General, Municipal, Boilermakers' and Allied Trades Union, traditionally one of Labour's most loyal allies, was tabling an emergency motion aimed at winning endorsement for the TUC-Labour Party joint policy statement, *Partners in Rebuilding Britain*, including the "national economic assessment", which covers wage talks.

Mr David Bassett, that union's general secretary and chairman of the TUC's economic committee, said: "It is essential that we go into the election with a clear understanding on how we relate to each other. We are in a pre-election period. Appearances are vital."

The municipal workers are

therefore seeking to preempt the pay policy debate by putting down a resolution that gives unqualified support for the TUC's political accord with the Shadow Cabinet, signed last month.

If the conference arrangements committee permits, that will be discussed tomorrow, the day before the Scottish miners' proposal ruling out all discussion on wage restraint "whether statutory, voluntary or through a national economic assessment with this or any other government".

Both policy options are likely to be supported, leaving the traditionally militant Scottish TUC facing both ways on this sensitive issue, but diminishing the risk of an embarrassing snub to Mr Michael Foot, the party leader, and Mr James Morrison, Labour's general secretary, both of whom are due to speak at the conference this week.

Mr Foot is also taking his unity message to the policy-making conference of the engineering section of the Amalgamated Union of Engineering Workers in Eastbourne, as political pressure on the unions not to "rock the boat" intensifies in what may be the last few weeks before Britain goes to the polls.

Mr Bassett argued that the new joint policy statement was Labour's springboard for the election. "Let us concentrate our minds on that reality," he said. "It behoves all of us to act to ensure the return of a Labour government."

Partners in Rebuilding Britain was not about an incomes policy. Nobody was calling for a return to the days of the rigid pay curbs of the Wilson-Callaghan era, and Mr Mostyn (Moss) Evans, General Secretary of the transport union, went to the lengths of reading out confidential minutes of the TUC-Labour Party liaison committee to prove the point.

However, those minutes confirmed that the unions recognize the Government's "substantial role" in determining the wage levels, directly or indirectly, of 14 million people whose employment is in some way related to public spending.

Mr Evans added: "You cannot just sit back and ignore the fact that there must be some dialogue between the Labour government and the unions on the national economic assessment, but without the rigidity of which we have had such unfortunate experiences in the past."

Union's leaders back pay curb

From Barrie Clement, Labour Reporter, Eastbourne

Delegates to the Amalgamated Union of Engineering Workers conference are to be asked this week to support talks on pay restraint between the TUC and the Labour Party.

The deliberations of delegates in Eastbourne will be of considerable interest to Conservatives hoping for signs that the TUC-Labour Party national economic assessment, which calls for talks on pay, is not being fully supported by one of the most influential unions.

The present TUC policy strongly states its commitment to "free collective bargaining"

and opposition to pay talks with "this or any other government".

The right-wing led engineering union is considered one of the "big battalions" of the TUC and its one million block vote, with the influence of the Transport and General Workers' Union, will be decisive in determining policy.

Mr Terence Duffy, the engineering workers' president, and his executive will throw their weight behind the motion.

The increasing influence of the moderates at the top of the union is seen in the invitation to speak at the conference to Mr

Michael Foot, the Labour leader, who is expected to make an electioneering speech in support of his party's economic policy. The invitation is a rare honour for a party leader who is not also prime minister.

The union's political character changed considerably earlier this year when moderates captured control of the 52-member engineering section national committee.

Right-wingers now claim a 31-21 majority in support of pay restraint. The views of the delegates, however, may be another matter.

CND will concentrate its attack on Tories in marginal seats

By Nicholas Timmins

The Campaign for Nuclear Disarmament is to concentrate its efforts at the general election on marginal seats to try to oust the Conservative Government. Although CND's policy will be not to endorse any political party or candidate, Mrs Joan Ruddock, the chairman, said yesterday that "given the Conservative Government's records, we have to create a position where people who support our stance cannot vote Conservative".

CND's national council, meeting in London, decided to instruct its parliamentary and elections committee to concentrate resources on the marginal seats, in which it will be asking all candidates where they stand on nuclear disarmament, and attempting to ensure that their views are well known locally.

"We shall be advising people to vote for nuclear disarmament," Mrs Ruddock said. "The record of the Government is such that they cannot be

called a party with a programme of nuclear disarmament."

The Conservatives were accepting the missile, and through Trident were embarking on a programme of a rapid increase in nuclear weapons in Britain.

"Anyone wanting to support CND could not conceivably cast a vote for a Conservative candidate unless that individual makes a break with party policy." That, at the least, would mean opposition to Trident, Mrs Ruddock added.

The implication was clear: "that any combination of political parties would be better than the present one in government." It was a case of "if you can't change the government, replace the government".

The effort would go into marginal seats held by all parties, she said, to try to get a government elected committed to disarmament. There might be more than one candidate in constituencies standing on a disarmament platform.

With the date of the general election still not clear, CND has yet to decide what resources to put into an election campaign, but it is eager to see disarmament as a prime issue.

Through its "peace canvass", and by writing to individual candidates, it intends to be able to set out candidate's views on disarmament issues, and where they stand in relation to party policies. "We will then make those positions public knowledge and we intend to give the issue as much exposure as possible," Mrs Ruddock said.

● Mrs Ruddock, who has just returned from a lecture tour in the United States, said she was consulting her solicitor over allegations by Dr Gerard Vaughan on her work for the Citizens' Advice Bureau.

● The nuclear power station planned for Sizewell, in Suffolk, could take Britain a step closer to a "nuclear holocaust", the campaign said yesterday.



Mr John Mossell sitting on the remains of his company's factory.

Factory bulldozed in raid

A six-man demolition squad arrived at 4.30am yesterday morning and used a large tracked excavator partly to demolish a thriving concrete factory owned and operated by a six-man cooperative.

A resident nearby was woken by the noise and alerted members of the cooperative, who arrived too late to stop the demolition. The police arrived shortly afterwards and told the men to stop the demolition and that they faced a charge of breach of the peace.

The cooperative last night was maintaining a 24-hour guard of what remained of Cranleigh Concrete, at Cranleigh Trading Estate, in Cranleigh, Surrey.

The men had bought the factory three years ago from the receiver when the previous company was put into liquidation by the Inland Revenue. Since then business has

boomed for the men, who produce concrete lintels.

However, Estates and General Investments Ltd, a London-based company responsible for developing the trading estate, were told by Surrey County Council that as part of the council's structural development plan for the estate, the factory had to be demolished, and returned to agricultural use.

The cooperative agreed to move but had difficulty in finding a new site which would allow semi-heavy engineering. Threatened with demolition, the cooperative secured a county court injunction against the property developers taking any action against the works until such time as they had found a new site.

The cooperative was in negotiation at the weekend when the demolition squad moved in. According to Mr

John Mossell, the company secretary of the cooperative, the demolition was carried out by men employed by the contractors who are building the new industrial estate.

Standing among the debris yesterday, he said: "It seems the development company have taken the law into their own hands."

Mr Harold Wood, aged 44, another director of the cooperative, said that his son, Martin, aged 21, went into the factory in an attempt to stop the demolition. "The driver saw him and stopped. But another member of the gang ordered him to carry on and the driver obeyed, bringing the machine's massive Kango hammer crashing down on the roof. My son ran for his life and it was more through luck than judgment that the whole shed did not collapse on top of him."

He plans to return to London on Thursday.

FitzGerald faces defeat on abortion clause

From Richard Ford, Belfast

The Republic of Ireland's coalition government faces possible defeat in the Dail on its wording of the proposed constitutional amendment to ban abortion.

Dr Garret Fitzgerald, the Prime Minister, admits that the outcome of the vote is "uncertain".

Although Fine Gael will impose a three-line whip at least five backbenchers are prepared to defy the party and if necessary support the opposition Fianna Fail's alternative wording.

If Fianna Fail's wording succeeds, Mr Fitzgerald and his party would campaign against it in the subsequent referendum because of what the Prime Minister has called "its fatal defects".

The churches are publicly divided in a way that has not been seen in the republic for 20 years. Fine Gael's wording is backed by the three main Protestant churches but opposed by the Roman Catholic hierarchy; the position is reversed for the Fianna Fail wording.

During the last few weeks the Roman Catholic Church has vigorously entered the debate. It is thought that it has been behind the anti-abortion Pro-life campaign but had not wished to reveal its hand too early on this highly sensitive

issue, which has dominated political, legal and theological argument for months.

FitzGerald, indicating that the referendum may be held in the last two weeks of June, said that he hoped sufficient deputies would see the logic of the position, take their moral responsibility, and support his wording.

People still had to make up their minds, but the defects in the Fianna Fail wording meant that it would be totally irresponsible to support their alternative.

"It was not easy for us. We knew that when we decided that, we had to point out the defect."

The original wording, drafted by Mr Charles Haughey in his second administration last November, recognized the "right to life of the unborn... with due regard to the equal right of life of the mother".

However, entering office and listening to the advice of the Attorney General and the Director of Public Prosecutions, FitzGerald rejected the wording on the ground of ambiguity.

His government's wording says: "Nothing in this constitution shall be invoked to invalidate any provision of the law on the grounds that it prohibits abortion."

Seven jailed on 'inadequate scientific evidence'

By Stewart Tandler, Crime Reporter

Seven people jailed for up to 14 years for explosives offences were convicted on inadequate scientific evidence, according to a BBC television *Panorama* programme to be shown tonight.

In an examination of the Home Office's forensic science service and whether it is weighted too much in favour of police and prosecution, the programme looks at the case of "Annie Maguire's bomb factory".

Mrs Maguire, her husband, their two sons and three other men were convicted in 1976 of handling nitro-glycerine after a police investigation of the Provisional IRA bombings at Guildford, Surrey.

According to *Panorama*, the evidence against the seven consisted of traces of nitro-glycerine found on their hands or gloves. The traces amounted to a thousandth of a gramme of sugar and they were examined by a test known as "thin-layer chromatography", which destroyed them.

Dr Brian Caddy, of Strathclyde University, conducted similar tests for the programme and says that the "thin-layer" is not conclusive.

The Home Office has recently been asked by three Conservative, Labour and

Social Democratic MPs to re-examine the case and Caddy says: "Clearly the charge involved the phrase 'in possession of nitro-glycerine'. Since we cannot categorically say this was nitro-glycerine, the charge cannot hold."

The programme also includes interviews with Dr Alan Clift, the forensic scientist compulsorily retired by the Home Office in 1981. Evidence by Dr Clift helped to convict Mr Jack Preece of murder, but the evidence was discredited in a Scottish appeal court and Mr Preece was freed after serving eight years.

Dr Clift said he was suspended from duties in 1977 because "there was a reappraisal of standards".

In the Preece case Dr Clift did not tell the court that stains found on the victim's clothing could have come not only from Mr Preece but also from the victim himself.

Dr Clift said: "Recognising that the stains for the prosecution had to be shared, I said: 'The prosecution... could have asked this question: if he had wished to, he had the information available. The defence, if they had chosen to ask about it, would have been given the answer.'"

Tories accused of scuttling shipbuilding

Mr Gordon Brown, the chairman of the Labour Party in Scotland, accused Mr George Younger, the Secretary of State for Scotland, yesterday of "making Scott Lithgow workers the scapegoat in a Tory plan to scuttle Scottish shipbuilding". He told Glasgow district Labour Party's annual meeting: "It is a spiteful act of Tory revenge for the defeat 10 years ago in the Clyde's right to work campaign. After halving the number of jobs in steel and aluminium in four years, the Tory proposal is now to axe shipbuilding jobs by half in less than a year."

He accused the Government of sitting back while the Koreans won all shipping orders by using King Fir rules, which he said means paying slave wages and subsidizing ship from military budgets. He added that investment in British shipbuilding was now only 1 per cent of all British capital investment, where it was 10 per cent 10 years ago.

Rib injury beats solo Pole trekker

By Ronald Fance

David Hempleman-Adams, the solo British explorer, abandoned his attempt to ski to the North Pole because of a badly bruised rib suffered in a fall as he was crossing a pressure ridge on his 400-mile trek.

From Resolute Bay, Canada, last night, he told *The Times* that the pain of the injury as he moved across the ice for up to 12 hours a day was almost causing him to lose consciousness.

"If that had happened in those temperatures I would not have got up again. I put up the tent and called the plane," he said.

The decision was deeply frustrating because the worst of the journey across the pressure ridges was behind him. "The ice conditions were perfect, probably the best for years, because it had been the coldest spring for 20 years. From the 88th Parallel it is completely flat going and in those conditions I was probably only eight to 10 days from the Pole."

After the luxury of a hot shower Mr Hempleman-Adams said that his 38 days on the ice had been in the coldest spring for two decades, with temperatures of -59° and a wind chill factor that forced the cold down to -89°. "In that kind of temperature it is impossible for anyone to do anything," he said.

He believed the expedition had shown that a small group of people could produce a worthwhile result. The maximum cost was £25,000, he said, and without wanting to detract from the Trans globe expedition achievements, they had probably spent £5m on the North Pole section, he said.

"We did half the distance for £25,000 and I think we proved that it would be possible with just a few good conditions. I did not think I suffered much, but I think it was probably worse for the people back in Britain. I am very disappointed for them."

"I would be willing to go back and try again. I am not absolutely sure yet, but I think I covered 208 miles of the route to the North Pole."

Apart from his bruised rib, Mr Hempleman-Adams is no worse for the experience. One polar bear did appear at a distance but did not threaten him.

He plans to return to London on Thursday.

Science report

Hormone harvest raised by new jelly

By the Staff of Nature

The production of hormones, vaccines and other valuable compounds by biotechnological means may become much simpler and more efficient because of a process invented by Swedish and Austrian scientists. The process enables animal cells to be held in a kind of jelly so that they continue to grow and secrete the compounds of value for some weeks.

The process has been developed by a team led by Professor Klaus Mosbach of the University of Lund, an expert in techniques of immobilizing animal and bacterial cells without destroying their functions.

One could, however, be forgiven for suspecting that the technique newly described by Professor Mosbach and his colleagues in Lund and Vienna was designed to kill cells, because it involves mixing them not only with agarose, a gelatinous substance, but also with paraffin oil.

The purpose of the oil is to make the gelatinous compound form into tiny beads in which the animal cells are suspended. The oil is then removed, having produced a mess but no harm to the cells.

Two lines of evidence prove that point. The first is that examination of the beads under the microscope shows that the entrapped cells continue to grow and replicate for at least a week.

Second, the entrapped cells continue to secrete interleukin 2, a protein that is under intensive scrutiny as a therapeutic agent in cancer and other diseases, for two weeks after entrapment.

In another they produced a monoclonal antibody for at least a week with no signs of jettisoning.

There is a long way to go before it can be certain that the general technique described by Professor Mosbach and his colleagues is sufficiently practical and robust to be used in specific processes, but its theoretical advantages are considerable.

Animal cells are relatively fragile and tend not to survive well when suspended in liquid.

Equally important is the relative ease with which the secreted products of bead-entrapped cells can be harvested.

If, for example, a liquid is slowly dripped through a container packed with beads, the useful product secreted by the cells will be in the liquid emerging from the container while the cells, in their beads, will be retained for prolonged use.

Sources: *Nature* April 14 (volume 302, p 629) 1983. © Nature-News Service, 1983.

U-boat men pay their tribute at Scapa Flow

Two U-boats and their mother ship forming part of the Third Federal German Submarine Squadron will leave Orkney today after a successful four-day official visit.

In a six-minute ceremony the visitors yesterday laid two wreaths brought from Germany at the Royal Oak Memorial, at St Magnus Cathedral, Kirkwall, as their tribute to the 833 men lost in the 29,000-ton battleship Royal Oak, torpedoed by U-47 in Scapa Flow in October, 1939.

Overseas selling prices:
Austria 200,000; Belgium 200,000; Brazil 200,000; Canada 200,000; Denmark 200,000; France 200,000; Germany 200,000; Greece 200,000; India 200,000; Italy 200,000; Japan 200,000; Korea 200,000; Luxembourg 200,000; Netherlands 200,000; Norway 200,000; Portugal 200,000; Spain 200,000; Sweden 200,000; Switzerland 200,000; Taiwan 200,000; Thailand 200,000; United Kingdom 200,000; United States 200,000; Yugoslavia 200,000.



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- 21st Important Old Master Prints at 11 am and 2.30 pm.
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Woolworth's face threat of shop sit-ins

By David Felton

Woolworth's High Street stores face the possibility of industrial action and occupation by the shop workers' union if the company's new management tries to cut the 37,000-strong workforce as part of its move to stem falling profits.

The conference of the Union of Shop, Distributive and Allied Workers will debate motions next week calling on the union to adopt a policy opposed to any job cuts. The more militant of the motions from the union's south-east London area, says store closures "must be opposed, using industrial action including occupation of stores and depots where necessary".

The union has a moderate tradition but officials believe the members' mood is changing, as the recession has meant that many have lost their jobs. Last year the union's membership fell by more than 20,000 to 417,000 because of redundancies, with the heaviest impact being felt by women.

Usdaw accepted closure of about twenty-five of the more than 1,000 Woolworth stores under the old management, but the first test of any new militant policy is likely to come in Liverpool, where the company wants to close its main store, which employs more than 300 people. It has promised to try to transfer the staff to other stores.

Woolworth, which is the fifth largest retailing business in Britain, was taken over in a £310m deal at the end of last year by Paternoster Stores, which comprised a consortium of 30 City institutions.

An Usdaw official said last night: "A year ago I would have said that the motion would not have stood much chance of being passed, but now it is by no means certain."



Popular prop: The Rolls-Royce Dart, one of the best-selling aero engines of all time, which celebrates its thirtieth birthday today. Since it made its debut on British European Airways' London-to-Paris Viscount service in the spring of 1953 more than 7,000 Darts have been sold, earning Rolls-Royce £450m. It is at present in production for the British Aerospace 748, and the Fokker F27.

'We shall return' pledge after families form Falklands association

By Richard Evans

The families of Servicemen who died in the Falklands returned home from their 12-day visit to the South Atlantic yesterday and immediately spoke of repeating the journey.

Most of the 541 relatives who made the 16,000-mile round trip have joined the Falklands Families Association, which was formed on board the liner Cunard Countess on the return journey from the islands.

"Everyone felt they wanted to come back and all the families wanted to stay in contact with each other," Miss Sue Taylor, secretary of the new association, said.

The association has elected a committee of eight, which will meet soon to start discussing the return trip.

"We hope to go back in five years, as long as jets can land in Port Stanley. Once the airfield is extended that will make a trip easier to organize. We want to have get-togethers in regional areas and have a newsletter to let families know what everyone else is doing."

Looking exhausted after a 17-hour flight from Montevideo, Uruguay, many relatives said how much better they felt for having been to the scene of the conflict. Nearly all spoke with affection about their welcome from the islanders.

Mrs Diane Burke, from Rhyl, north Wales, who made the trip with her son Craig, aged two, said: "The journey was well worthwhile if only to get some idea of what my husband and the others went through."

Mrs Pam Morse, whose son was among the Welsh Guards who died at Bluff Cove, said: "I feel much better now. It was all

hard to bear, but it was something we had to face up to. The home journey was much better. We have come to terms with it now."

Mr Harry Taylor, whose son Nick was the first Harrier pilot killed in the Falklands, said: "We had a great trip and it has been really worthwhile. I think a lot of tension has gone as a result of this."

"Let me never hear people talking about a grotty, barren island. Where Nick is buried on Goose Green it is exactly like our home at Dartmoor and the community is looking after it tremendously. All the cemeteries are well designed and looked after."

"I am definitely going back and the other people I spoke to on the way home said they would gladly go without holidays for the next five years so that they can save up and return."

The desire to return was particularly strong among widows with young children. "I want to go back for my son's sake. He is too young to realize what happened and I want to take him back to see what his father lost his life for," Mrs Joan Sweet, from Aberdeen, Mid Glamorgan, said.

Mrs Janet Stewart, of Bredon, Gloucestershire, whose son Matthew died on board ship on his eighteenth birthday, said: "Like a lot of the mothers who went on the journey, I am determined to go back. We are still looking for our sons. It is the hope of seeing something on a beach somewhere in the Falklands that will keep us going."

But she added: "Our sons' sacrifices were not worth it. The enormous tragedy of their deaths is not appreciated by the islanders. They are grateful, but they have no idea of what it meant to us."

Her husband added: "To us it was a shock to find out that this was what our sons died for. Port Stanley is a rubbish dump and the islanders do not want to get off their backsides to do anything about it."

The Rev Richard Buckley, a Royal Navy chaplain, who conducted the act of remembrance for HMS Sheffield, said the pilgrimage had helped the relatives to pay their respects and honour the memory of their loved ones.

"I have been humbled by their tremendous courage. He fully supported the formation of the families' association and the plan to return to the South Atlantic."

A Scottish consortium, including British Shipbuilders' Glen yard, has put in a £5m bid to build a temporary harbour for Port Stanley (Our Glasgow Correspondent writes).

The harbour, a modern version of the "Mulberry Harbour" used to supply Allied forces after the Normandy landings in 1944, would supply valuable work to Govan, which faces 1,100 redundancies over the next nine months.

The government contract is to help to get supplies to the Falklands' 4,000-strong garrison more quickly.

The North Sea Ferries ship Norland returns to her base at Hull today after a post-Falklands duty refit costing more than £2m at Immingham. Our Hull Correspondent writes.



The homecoming: Relatives who returned yesterday included Mrs Sara Jones (top left), widow of Colonel "H" Jones, VC; Miss Sue Taylor (top right), secretary of the new Falklands Families Association; Mrs Pam Morse (bottom left), and Mrs Diane Burke (bottom right). (Photograph: Orde Eliason).

Minister says Lords will accept police Bill

By Our Legal Affairs Correspondent

Mr Patrick Mayhew, Minister of State at the Home Office, indicated yesterday that he expects the Police and Criminal Evidence Bill to be accepted by the House of Lords after the Government's concessions last week on confidential records.

He said on London Weekend Television's *Weekend World* programme that the Lords would rightly examine the Bill very carefully. "But the principal anxiety has been over confidential documents and that has been put to rest through the amendments we have made."

He did not envisage further government amendments, other than those promised during the committee stage of the Bill. But he reaffirmed the Government's commitment in principle to tape recording of police interviews, and to an independent prosecution system.

If present experiments on tape recording of interviews proved successful he expected tape recording nationally within three years and certainly during the lifetime of the next Parliament.

Mr Mayhew is to meet representatives of the media today to discuss amendments he intends to make to meet their concern over police searches of journalists' notes, allowed under the Bill.

The National Council for Civil Liberties voted yesterday to continue its campaign against the Bill.

Members at the council's annual meeting in London unanimously condemned some sections of the Bill, which they claim "radically extend police powers and fail to provide adequate safeguards for suspects."

The council wants an independent police complaints system and the implementation of recommendations by the Royal Commission on Criminal Procedure to issue warrants for telephone tapping.

Further delay for Roach inquest

By Nicholas Timmins

The inquest on Colin Roach, the black man aged 21 who died of shotgun wounds in the entrance to Stoke Newington police station in January, is to be adjourned for another week, until April 25, the coroner, Dr Douglas Chambers, said yesterday.

The further adjournment comes after attempts by the Greater London Council to have the inquest, scheduled to open today moved to Hackney Town Hall, a larger venue than St Pancras Coroner's Court, which seats about forty people.

Mr Gareth Peirce, the Roach family's solicitor, said yesterday that the family would oppose the further adjournment at the hearing today, when the decision will be formally announced. The GLC has asked Dr Chambers to move the inquest, a request he has already refused once, and has said that if he does not do so the GLC's legal and general committee will be asked tomorrow to initiate legal action to have it moved.

After taking counsel's opi-

nion the GLC believes it has powers under the London Government Act to provide proper accommodation for the inquest. Mr Harvey Hines, chairman of the legal committee, said: "It is a matter of public importance that this inquest should be held in a venue large enough to accommodate the friends and family of the late Mr Roach, and the press. It should also be near the location where he died."

In a statement yesterday Dr Chambers said the legal complications made it impossible to proceed today. Mr Peirce said the family wanted the hearing at a larger venue, but did not see that as being incompatible with the inquest going ahead.

They were emotionally geared for the inquest to take place today, and there were difficulties over their representation by counsel if the inquest was adjourned for a week.

Since Mr Roach's death there have been five demonstrations in Hackney and Stoke Newington, with widespread demands

for an independent public inquiry into his death over and above the inquest, and into policing in Hackney generally.

Eighty-four people have been arrested on the demonstrations, including Mr Roach's father, Mr James Roach, and there have been protests from local black groups at the police insisting on bail conditions for those arrested, preventing them from taking part in further demonstrations.

In one case, when Mr Denis Twomey, Tower Hamlets councillor and friend of the Roach family, was arrested and refused to accept the bail conditions, a judge in chambers granted him unconditional bail.

A Hackney councillor, Mr Patrick Koidikara, has publicly accused the police of murdering Mr Roach, although he later said he had no evidence for that. Police say they are convinced that no other party was involved in Mr Roach's death, late on the night of January 12, in the entrance to the foyer at Stoke Newington.

Towards a cashless society

By Peter Wilson-Smith

Big savings would accrue to retailers from an electronic point-of-sale payments system, according to a confidential internal study produced by the big clearing banks.

The proposed system, a big step towards the cashless

society, would allow customers to pay for goods in shops with a plastic debit card; the card would be run through a computer terminal connected to their bank and money would be debited directly from their account.

Details of the study, disclosed in the latest issue of *Retail Banker International*, show that transactions using point of sale would cost retailers a third less than cheques.

The study group has pro-

posed that retailers should bear the cost of installing the computer terminals at a cost of up to £800 a time. It has also suggested that the banks could charge retailers a percentage of the cost of each transaction above a limit of, say, £50.

The council wants an independent police complaints system and the implementation of recommendations by the Royal Commission on Criminal Procedure to issue warrants for telephone tapping.

YOUR CAST-IRON GUARANTEE FROM NATIONAL SAVINGS

MAXIMUM HOLDING NOW DOUBLED TO £5,000

'Local knowledge' clue to girl's killer

From Our Correspondent, Cambridge

Det Chief Supt Raymond Moyes, who is in charge of the investigation into the murder of Gillian Atkins, aged 14, of Deeping St James, Lincolnshire, said that he thinks she died where the body was found, in a garden backing on to a lane.

The girl, of Hawthorn Drive, who was a keen rider and kept two ponies, disappeared on Thursday night after she went out to buy a packet of crisps.

She was last seen by school friends alone in the centre of the straggling village at 9 pm. Her body was found 20 hours later by a neighbour who walked into his rear garden, which runs down to the narrow and overgrown church walk much used by local courting couples. It lay spreadeagled on the lawn, still in her jeans and dark jacket.

Police said that she had died from haemorrhage and shock, caused by severe head injuries.

Yesterday as nearly 200 police continued their house to house inquiries in the Deeping village, just north of Peterborough, Mr Moyes said: "I believe the murder was committed where the body was found. But I do not believe that this quiet, pony-loving girl would have gone down that



Gillian Atkins: "A quiet, pony-loving girl."

Babysitter and child found safe

A boy aged two and his teenage babysitter, who disappeared from Birmingham on Saturday, were found safe a hundred miles away yesterday.

They were found at a funfair in Rhyl, Cwyd, and were taken to a police station while the boy's parents travelled from Birmingham to collect him.

The girl, aged 16, had apparently fled when the boy accidentally started a fire.

Two accused

A man aged 29 from Avonmouth, and a woman aged 56 from Somerset are to appear today before magistrates at Long Ashton, near Bristol charged with the murder of Mrs Shirley Rendell, a solicitor's wife, who was found battered and stabbed in her home in the village of Yanton, near Bristol, eight weeks ago.

Rapist caught

James Goddard, who was serving a 14-year sentence for rape, assault and kidnapping when he escaped from the Brook Hospital, Woolwich, south London, two weeks ago, was recaptured in Mitcham, south London, on Saturday.

Murder charge

Two men are to appear in court in Bristol today charged with murdering Mr Raymond Arthur Vincent, aged 41, whose body was found in the boot of an abandoned car in Painswick, Gloucestershire, on Thursday.

£100,000 raid

Armed raiders yesterday locked Mr Shimsam Cohen, a jeweller, in the lavatory at Asco Ltd, in Hatton Garden, London, and escaped with gold chains and rings worth £100,000.

Crash victims

Two men killed when a light aircraft crashed near Markyate, Hertfordshire, on Saturday were named yesterday as Mr Brian Moyse, aged 50, the pilot, of Upminster, and Mr Peter Bennett, aged 34, of Waltham Abbey, both in Essex.

Petrol fiddles 'costing firms millions'

British firms are being taken for a ride because of expense account "fiddles" by employees with company cars, Mr Charles Nicholas, chairman of Petro-chem, claimed today. The firm, in conjunction with Barclays Bank, developed a scheme in 1981 to beat the fiddlers.

About a fifth of the petrol bills being paid by firms for their company cars are the result of these fiddles, he said.

The most common way is for company car drivers to fill up with petrol, and have "little extras" added to their bills before paying.

"These can be cigarettes, drinks, sweets and magazines, but they also include drivers who buy items like rubber dinghies, presents for their children and indeed anything on sale on garage forecourts."

Mr Nicholas said the companies he was dealing with had made savings of between 12 and 12 per cent of their petrol bills by a tighter watch on costs.

"We are talking about a company fleet fuel market which is worth £6m to £7m a day. If the extras are costing firms 20 per cent of this, the total is vast."

The Petrochem is a Barclays Bank cheque which can be used to buy only fuel, and is guaranteed by the bank. Each cheque is preprinted for a fixed amount (usually £5) and on its reverse carries the car registration number.

مكتبة الشارقة

Firm launched to buy VC medals and keep them in Britain

By Geraldine Norman, Sale Room Correspondent

Invest in patriotism is the message of a private company being launched this week with the sole aim of acquiring the Victoria Cross group of medals when they are sold at a Glendining auction on April 27.

Wing Commander James Brindley Nicolson was the only Battle of Britain pilot to be awarded a VC. Indeed, he was the only fighter pilot to be awarded the decoration during the Second World War.

With his plane on fire and wounded in his face and leg, he was about to bale out when he saw a Messerschmidt through his undamaged windscreen and chased it.

As he was descending in his parachute, a defence volunteer below took him for a German and opened fire. Nicolson recovered but was killed on May 1945, flying as a passenger in a plane which crashed over the Bay of Bengal.

The medals are being sold to provide money for his widow, Mrs Muriel Nicolson. His son, Mr James Nicolson, has announced that he hopes the sale will draw attention to the appalling financial plight of the Second World War widows. Glendining expect the medal to top the previous world record price for a Victoria Cross group, which stands at £32,000. It is telling interested parties that the bidding may reach about £50,000.

The company being launched to try to buy the medal group is called Citylion. It has named its three directors Dr John Tanner, director of the RAF Battle of Britain Museum at Hendon, north London.

If Citylion acquires the

medals they will be given on loan to the museum for display. The idea of launching an investment company to achieve that aim comes from Dr Richard Petty, a practising doctor and entrepreneur. He is a director and founder of the



Mrs Muriel Nicolson: "Appalling plight".



The Victoria Cross: Loan to museum.

International Hospitals group, which sells hospitals to Third World countries. Dr Petty, aged 43, is a collector of medals.

Gillray prints and Regency furniture.

The third director is Mr Nicholas Morris, aged 28, a financial consultant. Dr Petty and Mr Morris are hoping that Citylion will serve as a pilot scheme for a much larger company investing in art and in Britain.

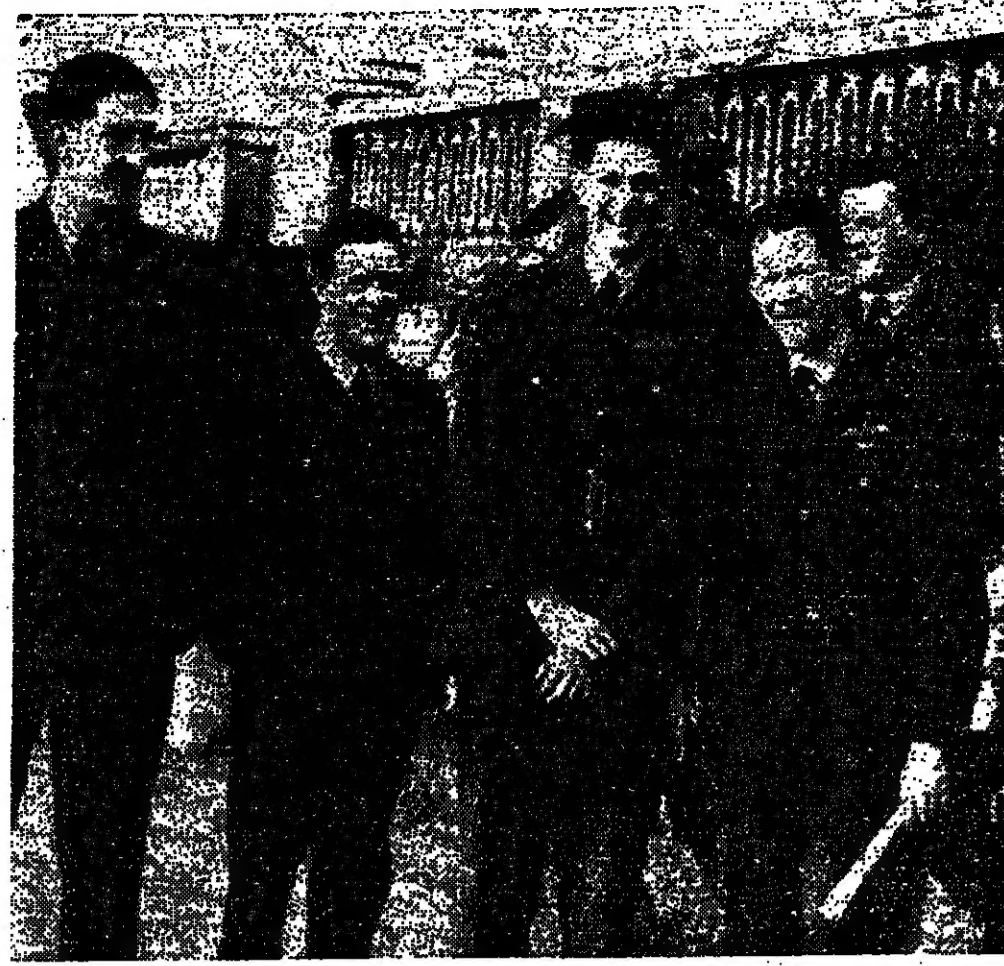
Citylion is to have 50,000 ordinary shares of £1 each and £150,000 nominal of interest-free loan notes. That indicates that the company is expecting to have to pay a figure between £50,000 and £200,000.

Dr Tanner is looking separately for funding to finance an outright purchase. The intention, when the time of the auction comes, is that Dr Tanner should bid to his limit, hoping to acquire the medals without the assistance of Citylion. If the bidding tops his limit it will be taken up to Citylion.

Once the acquisition price is established the shares will be distributed pro rata in proportion to subscriptions, with the museum's purchase fund treated as a subscription.

The medals are to be valued annually by an expert. At the end of 10 years "the directors will put before the shareholders a resolution to approve the sale of the collection".

Dr Petty envisages that the ownership may then be refinanced on a similar basis, unless the museum has enough money to buy the medals outright. How worthwhile the scheme turns out in investment terms is likely to hang on whether the museum owns more or less than half of the shares.



Wing Commander Nicolson (third left) in a wartime photograph.

London Vietnamese 'living in fear'

By Peter Evans, Home Affairs Correspondent

Vietnamese refugees in south-east London are living in fear of racial attacks, Mr Lloyd Henry, chairman of Community Aid for Victims of Crime in Lewisham, said at a conference at the weekend.

Children have been kept from school to prevent them being beaten in the streets, he said, and parents had been assaulted.

Their assailants were hoodlums aged between about 16 and 25 who shouted racialist slogans and threw bricks through windows of the Vietnamese families' houses. He said that more than a hundred families lived on the Pepps Estate, at New Cross.

Mr Henry, who chaired a working group on ethnic minorities at a conference at Keele University, Staffordshire, of the National Association of Victims Support Schemes, has no figures of racial attacks, but says "there are a large number of cases, spread over the last two years".

Because of the language barrier and fear of reprisal, many of the assaults are not reported to the police, he said. Alarmed Vietnamese women have locked themselves in their homes rather than venture out. The hoodlums "knock on their doors and when people open

up, go into their houses and assault them".

One refugee returning from hospital was cornered by white youths, and he begged them on his knees not to hurt him, but he was still beaten up, Mr Henry said.

In Lewisham Mr Asquith Gibbs, a senior community relations officer, confirmed that there had been racial attacks on the Vietnamese. He said the police were handling the trouble sensitively and were trying to get on their officers to learn the refugees' language.

The working group at the conference recommended that volunteers should do more to help victims among ethnic minorities. But the association is worried that a cash crisis threatens its future. The Home Office this year is giving the association a £20,000 grant for central office administration.

Last year 41,375 people were offered help by victims' support schemes, a 50 per cent increase. Many senior police officers were among 350 people at the association conference.

Mr Alan Eastwood, vice-chairman of the Police Federation, told *The Times*: "We are disgusted at what appears to be a paltry amount given to this worthwhile organization by the Government".

Ford adds speed to Sierra style

Ford today makes a determined attempt to give its controversial Sierra a winning image by announcing details of a 130mph version.

The high-performance Sierra XR4i is intended to have a "balo effect" on all Sierras to attract more private buyers than the Corina, which was best known as the classic company car, Mr Kenneth Prendergast, car sales director, said.

The Sierra achieved first place in the motor industry's official top 10 selling chart last month, six months after its launching, amid Ford claims that rivals were running a "dirty campaign" suggesting that it was not as popular as had been hoped.

Other manufacturers, such as Vauxhall, counter-argued that Ford was buying its way to the top with big discounts and special dealer bonuses. Vauxhall is responding by launching a 116mph GTE version of its established Astra range today as an image-building top model.

The Belgian-built XR4i was intended as a dual-purpose flexible car, offering saloon car space with a sporty look, 37mpg fuel economy in 56mpg, and 0-60mph acceleration in nine seconds, Mr Prendergast said.

Test case today on euthanasia booklet

By Frances Gibb, Legal Affairs Correspondent

A test case brought by Sir Michael Havers, QC, the Attorney General, over the legality of the Voluntary Euthanasia Society's booklet opens in the High Court today.

The action will serve as an important clarification of the law as contained in the Suicide Act, 1961, under which it is an offence to aid or abet suicide, but not to commit it.

The Attorney General has admitted there is a "genuine dispute about the precise ambit of the law" and is seeking a declaration on whether distributing the booklet is an offence.

Last year he unsuccessfully asked the society to stop distributing the booklet, *A Guide to Self-Deliverance*, which outlines ways suicide can be committed.

He said he thought the society was breaking the law. The clear effect of the Suicide Act, coupled with a later Court of Appeal case, was to "make it a criminal offence for anyone to issue a copy of the booklet to a person contemplating suicide irrespective of whether such a person then commits suicide".

It was even clearer that there was an offence, he added, when the recipient of the booklet did in fact make use of it to commit suicide.

The Attorney General's request came after an inquest on a man aged 22 who had committed suicide in Clarges's Hotel. He was found with a copy of the booklet. But after a ballot of its 10,000 members the society decided to take no action.

After seeking legal advice it said it believed the provision of general information, as distinct from personal assistance to individuals who wished to commit suicide, was within the law.

This is the second time the society has come up against the law. In 1981 Nicholas Reed, then general secretary, and a

beaver, Mark Lyons, were convicted under the Suicide Act of aiding and abetting suicides.

Last week Mr Reed, who was expelled from the society just before his release last October after serving 12 months of his 18-month sentence, announced that he was setting up a rival euthanasia group.

He intends to lodge a case with the European Commission of Human Rights over his conviction, which will provide another test case on suicide legislation.

The suicide booklet, which has sold more than 10,000 copies, is obtainable for £6 to members of the society of more than six months' standing. They must declare they are over 25 years of age, but the safeguard can clearly be abused.

In a statement to coincide with the hearing today the society says its chief aim is to secure a change in the law to allow those suffering from incurable illness or disability, and who want to end their lives, to do so. Suicide, it argues, is ironically available only to those able to carry it out.

The booklet urges "full and long consideration before suicide is contemplated" and aims "to discourage violent or antisocial methods of suicide as well as those likely to fail and still have damaging effects".

In other countries booklets giving methods of suicide are freely available to all, it adds. The society's booklet is restricted in circulation and readers "appropriate greatly the peace of mind and sense of security they derive from possessing it".

The court action, seeking a declaration of the law avoids the need for a criminal prosecution. If the society is found to be in breach of the law it is likely to comply with the ruling, even if it decides to appeal. Meanwhile, over the interpretation.

Buckton complaint over cartoon is rejected

Mr Raymond Buckton, general secretary of the rail union, ASLEF, was given ample opportunity to respond to an ambiguous cartoon, the Press Council has ruled. The council rejected his complaint about a *Daily Express* cartoon by Giles which showed rail workers during the Falklands conflict.

Beside a poster depicting Mr Buckton was another saying "ASLEF: follow your leader - shut the trains down NOW". The cartoon read: "You'd think while the Forces are fighting Falklands he'd shut his trap about flexible rostering".

Mr Buckton complained that

the cartoon inaccurately implied that he was advocating an immediate strike by his union's members during the Falklands campaign. He said the *Daily Express* failed to publish his reply in full and offered a draft which left out matters of importance, including a reference to the fact that some of his members had sons in the South Atlantic.

The adjudication was that the cartoon with the caption was ambiguous in meaning but the complaint was given ample opportunity to respond to it by the newspaper's offer to publish a shortened version of his letter containing all the relevant points.

Few support takeover of farm land, poll shows

By John Young, Agriculture Correspondent

The Labour Party's proposal for the partial nationalization of agricultural land, far from being a vote-winner, has the support of only about one person in seven, a poll published at the weekend suggests.

Seven out of ten voters appear to believe that it is important in free society that agricultural land is privately owned, and disagree with its acquisition by the state. Even more people think that traditional links between families who own land and the places where they live are good for the countryside, and that the owners perform a worthwhile service to the community.

The survey, of more than 2,000 people, was carried out for the Country Landowners' Association by the British Market Research Bureau. Mr James Douglass, the association's director general, said yesterday that the sample was twice as large as that usually used by the bureau and was representative of all age groups and social classes in both urban and rural areas.

Perhaps the most remarkable thing about the survey is that the answers show barely any perceptible change from a similar poll in 1978. In the past five years there has been widespread criticism of modern farming methods; farmers have

been depicted as growing rich at the expense of consumers, taxpayers and the environment; there have been complaints of lack of public access to the countryside; and there has been concern about the shortage of land available to young would-be tenants.

Yet 64 per cent of those polled still think that the countryside would be less well cared for under state ownership, compared with 65 per cent in 1978, and 61 per cent believe that there would be less understanding of the needs of the countryside and those who live there (64 per cent in 1978).

On only one subject, access, has there been a discernible change. Forty per cent now believe that public ownership would make access for recreation easier, whereas 37 per cent think it would be less easy. The comparable figures five years ago were 36 per cent and 42 per cent.

More than half the respondents thought that Britain would produce less of its food under state ownership than it did now, and three out of five thought food would become more expensive. Forty-four per cent considered that state acquisition of farmland would increase the likelihood of owner-occupied housing being nationalized.

A skilled lobbyist steps down

By Frances Gibb, Legal Affairs Correspondent

Patricia Hewitt, the skilled lobbyist and campaigner for citizens' rights, has resigned as general secretary of the National Council for Civil Liberties after nearly a decade in the post.

Ms Hewitt, aged 34, whose announcement coincided with the council's annual meeting on Saturday, is to devote herself full time to ground work in the constituency of Leicester, East, where as the Labour prospective candidate, she confidently expects to become MP at the next election.

She leaves the post in which she has been a formidable and persuasive defender of civil liberties on a triumphant note. Last week, in a significant volte face, the Government



Patricia Hewitt: Hopes to become MP.

announced concessions over confidential records in its Police Bill after sustained opposition from doctors, church leaders and journalists.

Under the leadership of Ms Hewitt, the NCCL was at the forefront of the criticism and largely responsible for alerting the various professions and bodies to the dangers the Bill posed to them.

It was the latest in several successful campaigns she has fought; a record which has made successive governments appreciate that the NCCL's power lies as much as anything in the ability of its advocates, such as Ms Hewitt, to persuade others through "the sheer force of our arguments".

She succeeded in persuading the Government to allow women to bring their foreign husbands into Britain, a battle which was fought with some success after the Government changed the immigration rules. She also brought about a change of policy over disciplining police officers through a successful case against the Police Complaints Board.

Now, where criminal charges are not to be brought against a policeman, disciplinary charges are not also automatically ruled out.

Daughter of a top Australian civil servant, with an English degree from Cambridge, Ms Hewitt is very much of the educated, articulate left wing of the Labour Party.

Coming just a few months after that of her equally persuasive colleague, Ms Harriet Harman, then the NCCL's legal officer and now Labour MP for Peckham, Ms Hewitt's resignation leaves a vacuum at the NCCL.

Farming in Britain: 1 The gaping gulf between 'corn and horn'

The widespread impression that farmers are prospering while the rest of the economy is crawling out of recession was reinforced by February's *White Paper*, which disclosed a 45 per cent average rise in farm incomes last year. Yet within a month, pig producers gathered in Westminster to lobby MPs about their financial plight. *JOHN YOUNG, Agriculture Correspondent, suggests that the picture is full of such paradoxes.*

To generalize about the state of agriculture is foolhardy. Throughout history farmers have only intermittently enjoyed a good press, mostly during national emergencies like the Second World War. This year's *White Paper* was a gift to the vociferous anti-farming lobby, which portrays them as greedy recipients of massive aid from taxpayers and environmental philistines, rapping the countryside for profit.

Being a largely statistical exercise, the *White Paper* was constrained from pointing out that last year's ostensibly phenomenal rise in incomes in certain sectors in some parts of the British Isles (45.4 per cent for lowland livestock farmers in Northern Ireland, for example) was from an extraordinarily low level (£703) in this same year. Nor could it point to the advantages of a thriving agricultural industry in terms of employment and arresting the long decline in the rural economy.

The highly mechanized "grain barons" of east England have little in common with upland livestock farmers of the West and North. Agriculture in Scotland and Northern Ireland is, indeed, so different that it has been largely excluded from this survey.

Such distinctions are little understood by farmers' critics. A shrewd and experienced observer suggested recently that the political character of a region could be gauged by the depth of the soil; it was no coincidence that rebellion had always flourished among the hills and the rocks of the Celtic fringe, while the flat rich lands of Lincolnshire and East Anglia remained calm and peaceful.

Mr Albert Davies, former chief agricultural adviser in the Government's Agricultural Development and Advisory Service, is an equally shrewd observer. Now retired, he lives in a suburban mock-Tudor house with an immaculate garden.

Ten years ago, when Britain entered the EEC, farmers were on the crest of a wave, he said. They had enjoyed three years of good weather and rising prices during the transition from deficiency payments to the intervention system. Government policy encouraged farmers to expand and they responded readily.

In 1974 beef prices collapsed, but the dry summers of the next two years caused severe shortages of potatoes and other vegetables and consequent windfall profits for those able to produce them. From then until

last year incomes fell and farmers suffered from inflation, low profitability and high interest charges on extended borrowings.

Like many others, Mr Davies is disturbed by the imbalance between "corn and horn" as more and more pasture is ploughed to grow grain and sugar beet. But he sees little chance of reversing the trend while grain prices remain so high and consumer demand for red meat and milk declines.

That decline could, he believes, be reversed by more efficient and imaginative mar-

keting. "Lymeswold cheese, whatever you may think of the way the campaign was handled, is a classic example of what needs to be done. We must accept the fact that people are going to eat less butter, for example, and develop more higher value products."

He agrees that relations between primary producers and food manufacturers are not all they might be, but disputes that it is the farmers' fault for not producing what the market needs. Farmers will respond only to price incentives, he says, and the processing industry must provide them with sustained, high quality supplies.

The fact that Britain is three-quarters self-sufficient in the foodstuffs that can be produced here shows that farmers are not indifferent to the market place. Mr Davies does not think the farmers public image is as bad as is sometimes claimed.

As for the EEC common agricultural policy, he feels that people have underestimated its benefits in raising agriculture's contribution to the British economy. "While there can be no particular virtue in producing surpluses, changes will take time." Nor does he accept that lower prices will automatically curb surpluses.

Farmers' ability to increase productivity through technological advances is just as significant as the CAP, Mr Davies claims. Those advances include new plant varieties, improved seeds, more effective chemical herbicides, pesticides and fungicides, better techniques for making silage and the development of new compound feedstuffs.

They have also invested in larger and heavier machines, and many large farms now make extensive use of computers. They have shown the readiness to diversify, not just into new crops like oilseed rape, but also into other activities like tourism, which now adds some £100m a year to farming incomes.

The going will always be tougher for pig and poultry producers, fruit and vegetable growers and others who do not enjoy the benefits of EEC price protection, he says. But he is confident that they will survive.

"A lot of people said when we joined the EEC that it would mean the demise of our horticultural industry. But it has not happened. There is great resilience among farmers, and an ability to cope with new economic challenges, which, sadly, not all our industries have shown."

Tomorrow: Contra ts.

Children find secret documents

Nottingham City Council has launched an investigation to find out how hundreds of confidential documents listing people's debts and mortgage repayments to the council were found scattered around the streets on the City's Leicester estate.

Council officials believe that the papers blew from the back of a waste disposal lorry on the way to a shredding machine in Leicester. They were picked up by children.

Mr Sydney Staines, Nottingham City Treasurer, said: "There is no reason why the waste material should have got loose, and I am obviously very concerned. This is the first time it has happened."

Schoolboy dies in glider crash

The RAF is to hold an official inquiry into the death of an Air Training Corps Cadet in a gliding accident.

Ian Sutton, a schoolboy, aged 17, of Great Bardfield, Essex, died instantly when his training glider went out of control and plunged 200ft before crashing on to the runway at RAF Wethersfield on Saturday. His instructor, Flight Lieutenant John Knock, an RAF reservist aged 60, of Marks Tey, Essex, suffered serious head and back injuries.

Liberal choice

Mr Brian Jonson, aged 48, has been selected as Liberal prospective candidate for the new Amber Valley constituency, in Derbyshire, where he lives. Mr Jonson, district representative on the Derby executive committee of the National Graphical Association, is a former member of the Amber Valley Council.

'Naughty' show

The Isle of Man government is to stage a summer exhibition of some of the 9,000 "naughty" postcards banned by the island's post office censorship committee over the last half century. The committee sees them now as "interesting social documents".

Factory reopens

A turkey processing factory at Great Witleham, Norfolk, owned by Bernard Matthews, which suffered £3m of damage in a fire two months ago, is to reopen today.

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Scargill calls for coal gift to pensioners

Britain's 50 million-ton "coal mountain" should be given away to pensioners, Mr Arthur Scargill, president of the National Union of Mineworkers, said at a pensioners' rally in Bradford yesterday.

He told an audience of nearly a thousand that the elderly were being driven to live in 1930s conditions. They had served the country to the best of their ability and were rewarded with a pension which put them on the poverty line.

"There is one way we could help," he said. "We have 50 million tons of coal stacked on the ground. Let's give 50 million tons to pensioners

Gibraltar unions pin dock hopes on Heseltine letter

From Richard Wigg, Gibraltar

Mr Michael Heseltine, the Defence Secretary, has written to Gibraltar's trade unions, telling them the Government intends to go ahead and close the naval dockyard repair facilities by the end of the year.

Last week, the unions blocked visiting British warships in protest against the closure.

Mr Joe Bossano, the Gibraltar trade union leader, denied yesterday that Mr Heseltine's letter, which he received last week, had been "totally negative". He said: "He has taken the trouble to write us a two-year explanation, giving the reasoning behind the closure and the difficulty of reversing the decision. I think the letter keeps a dialogue open."

The unions had proposed that the Navy should keep open the yards, while taking on commercial work.

At the end of this month British shipbuilding consultants are due to publish their feasibility study for a commercial future for the yards. Mr Bossano's unions have threatened more industrial action from May 1.

Under Ministry of Defence plans the closure will save £10m a year, but mean the loss of about 1,500 jobs. Mr Bossano said this represented one tenth of Gibraltar's work force and a quarter of all the civilians employed on the Rock by the Defence Ministry.

He said that those still employed by the Army, Navy

and Air Force would not go on working normally if the repair facilities were shut down. Under the plans the Navy would keep 10 berths in Gibraltar harbour as well as the large fuel and ammunition stores under the Rock.

The Royal Navy visit to Gibraltar has caused controversy in Spain, whose Government objected to it ostensibly because of the presence of the aircraft carrier *Invincible*, which played a prominent part in the Falklands conflict.

But if the Madrid government had gone ahead with military integration into Nato, Spanish warships might have been sailing into the Atlantic with the British ships today when they leave Gibraltar. Instead, they spent last week keeping the British flotilla under surveillance in Algeiras Bay, to underline Madrid's protest.

In fact, electioneering explains much of what happened last week. In Spain, the four-month-old Socialist government faces highly politicized municipal elections, with a fiercely nationalistic opposition onslaught.

In Gibraltar itself, where a general election must be held by next spring, Mr Bossano, who is also the Socialist Labour Party leader, is already challenging Sir Joshua Hassan, the veteran Chief Minister, to show who can do most to stop Britain closing the dockyards.

Few people on the Rock now

Rock defence build-up denied

A report that Gibraltar's defences had been strengthened to withstand a Falklands-style attack by Spain was denied categorically by the Ministry of Defence last night. A senior military source described it as rubbish. Henry Stanhope writes. The Ministry agreed that the Gibraltar Regiment had been supplied with then shoulder-fired Blowpipe anti-aircraft missiles, which were among weapons used in the Falklands, but this was only part of routine re-equipment, and the Blowpipe had also been supplied to Territorial Army battalions in Britain.

think there will be any progress if talks under the 1980 Lisbon agreement (on opening the border) are held this year between the British and Spanish foreign ministers. Sir Joshua leads those who, reckoning Spain does not wish to take the plunge and fulfil the agreement's terms, are speculating on yet another postponement.

The Navy's visit and the Spanish protests have offered, however, a fresh opportunity to look at Gibraltar's worsening economic problems.

The visit raises the even more fundamental question of whether different decisions by the British Government over Gibraltar's economic future are required, to underpin the logic

of Mrs Margaret Thatcher's post-Falklands strategic thinking.

Gibraltar's artificial economy, built up under the 13-year "siege" started by Franco, is now threatened, not only by the scheduled closure of the naval dockyards, which will only, at best, be partially compensated for by their commercialization.

Since last December's partial opening of the frontier by Madrid, Gibraltar has been losing, on local estimates, £100,000 a week as its inhabitants go to shop and enjoy themselves in Spain.

A retired Gibraltar customs officer, whose wife had bought fresh fruit and vegetables on a Saturday morning outing to La Linea, across the border, said: "For years, we have been at the mercy of the Rock traders charging whatever they liked." Vegetables in Spain were 20 per cent cheaper.

This week's Gibraltar budget is expected to put a tax on such shopping after the House of Assembly's recent appeal for restraint failed.

Mr Wilfred Garcia, president of Gibraltar's Chamber of Commerce, has suggested that Britain should pay to use Gibraltar's naval facilities if the dockyards close.

However, in his logic, after the Falklands, Mrs Thatcher must do far more to give Gibraltar the financial means to prevent Spain sapping the Rock's livelihood, and that for strategic reasons. He speaks of a 10-year assistance programme to diversify the economy.

Economic crisis grows

Faith in the future is being eroded

In the first of two articles, PATRICK KNIGHT, our São Paulo Correspondent, analyses the economic background to the recent riots, the worst for several years in Brazil.

As São Paulo returns to normality after the recent riots the Government has announced that food prices rose by 12 per cent in March, a month when inflation topped a record 10 per cent.

Brazilians are used to inflation, and those in work are largely protected by indexation. But indexation is no help if you are one of the two to three million out of work here.

The looting of hundreds of shops and the invasion of the grounds of the governor's palace came after a meeting called by a movement against unemployment got out of control.

Brazil is often referred to as the country of the future, both by visitors, and Brazilians themselves; everybody agrees that one day Brazil will be a power commensurate with its size, as the world's fifth largest country.

To the migrant recently arrived from the interior, squatting in a miserable shack alongside a river, which often floods, or crowded ten to a room in a city centre slum, earning a minimum wage of less than £50 a month, what gave hope and perseverance was the belief held until recently with pretty good reason, that life would gradually get better, and that even if he himself might not benefit much his children certainly would.

A series of favourable circumstances led the Brazilian economy to grow very fast in the late sixties and seventies, and many millions were able to leave the countryside for the cities, most of which have at least doubled in size in the past decade, and earn a wage for the first time.

For much of the working class, the good times of the past few years have always been recognized as the exception, not the rule.

Multi-family units often have several wage earners, and even now it is rare for all to have lost their jobs.

What makes the current crisis so different from those before is that it is affecting the now sizable middle class, which, if not more vulnerable to hardship, is certainly much more vocal about it. Since the November general elections, television and the press have talked about little else but the economic crisis, and that psychologically so important faith in the future is being seriously eroded for the first time.

Brazil's rapid economic growth was largely achieved at the price of massively increasing the foreign debt. The first signs of strain appeared about three years ago, when trade slipped badly into the red, mainly as a result of the second big oil price rise.

Brazil devalued sharply in 1979, as it also did about a month ago. But trade did not move back into balance and the debt continued to snowball.

The past three years have seen more of less continuous attempts to get trade into balance, by following recessionary policies, but efforts have been frustrated by the general downturn in world trade.

The situation reached crisis point at the end of last year, when, with elections over, the full extent of the country's financial vulnerability was revealed. The country had to go cap in hand to the international banking community and the IMF who agreed that even harsher measures would be needed to get the economy back on course.

To oblige, the state sector has started to lay off thousands of workers, as many of the massive projects designed to make Brazil a superpower are slowed down or abandoned. Most workers, who have lost their jobs, have exhausted their redundancy money and there is no unemployment pay, or social security to turn to. Because of the massive publicity given to the crisis, everybody knows that things will get worse before they get better.

Many fear, however, that the economy will stagnate for at least two more years, even if demand from the rest of the world picks up. Brazilians have often been admired for their stoicism in times of hardship, but the population is no longer predominantly rural and inclined to accept affairs without complaining.

Two thirds now live in cities, and as last week's violent incidents show, they are increasingly inclined to blame their political masters, and their economic policies, and have become far less patient, particularly after changes of political party control of most large cities gave rise to hopes of fundamental change, which internal and external constraints do not permit.

Next: Pressure politics

Hijacker faces 10 years' jail

From Mario Modiano, Athens

Mahmut Kalkan, the Turkish student who hijacked a Turkish domestic airliner to Athens airport but was overpowered by Greek commandos, was charged by the Athens prosecutor yesterday with obstructing an airliner (which carries a minimum 10-year sentence), illegal detention, and illegal possession of arms.

The student, aged 22, said he suffered from epilepsy and wanted to go to Australia to flee from the dictatorial regime at home. He surrendered his arms to his captors - a pen knife and a plastic container with window putty which he had claimed was an explosive. All 114 on board the aircraft were unharmed.

A Greek Government spokesman made it clear that the hijacker had committed crimes in Greece and would therefore be tried by Greek courts. The Turkish Government had thanked Greece for the manner in which the affair had been handled, but had not so far asked for his extradition.

The official reason for the restrictions is to safeguard the plurality of press opinion and to avert the tendency to monopolies.

Several national newspapers have been taken over recently by big business interests, but it is difficult to see these as any danger to the "plurality of opinion" in a city with 14 dailies and nine Sunday newspapers.

The Government's action followed the publication last week of *Eleftheros Typos* (Free Press), an afternoon tabloid which claimed 100,000 circulation from the first day it went on sale for a trial week at 10 drachmas (8p). Most other dailies sell at 20 drachmas and a few at 30 drachmas.

The Government promptly set a minimum price for national newspapers: 10 drachmas for dailies with up to 10 pages (or their tabloid equivalents), 20 drachmas for more pages. This forced *Eleftheros Typos* to put up its price on Saturday to 20 drachmas.

Explaining the move, Mr Dimitris Maroudas, Minister in charge of press matters, said: "It is the declared intention of the Government to safeguard the polyphony of the press and the dissemination of ideas, against monopolistic and competitive tendencies, as well as to protect economically weaker newspapers from illicit competition."

Newspapers are now limited to 90 pages per week, allowing for 14-page and 16-page newspapers on alternate days.

In its Sunday edition yesterday *Eleftheros Typos* deplored the Government's giving in to pressure by "big interests" and decreasing measures which, it said, were "unconstitutional, an insult to press freedom, and which stifle the elementary right of competition and emulation".

Newspapers curbed in Athens

From Our Own Correspondent, Athens

The Greek Government has entered the spirited circulation war among Athens newspapers by forcing an afternoon tabloid to raise its price, limiting the size of all newspapers and banning newspaper advertising on state radio and television.

A Press Ministry order at the weekend said that failure to observe the new rules would lead to proprietors losing the right to import duty free newsprint, or even being prevented from circulating their publications through news agencies. "If necessary", it said ominously, "heavier penalties will be legislated."

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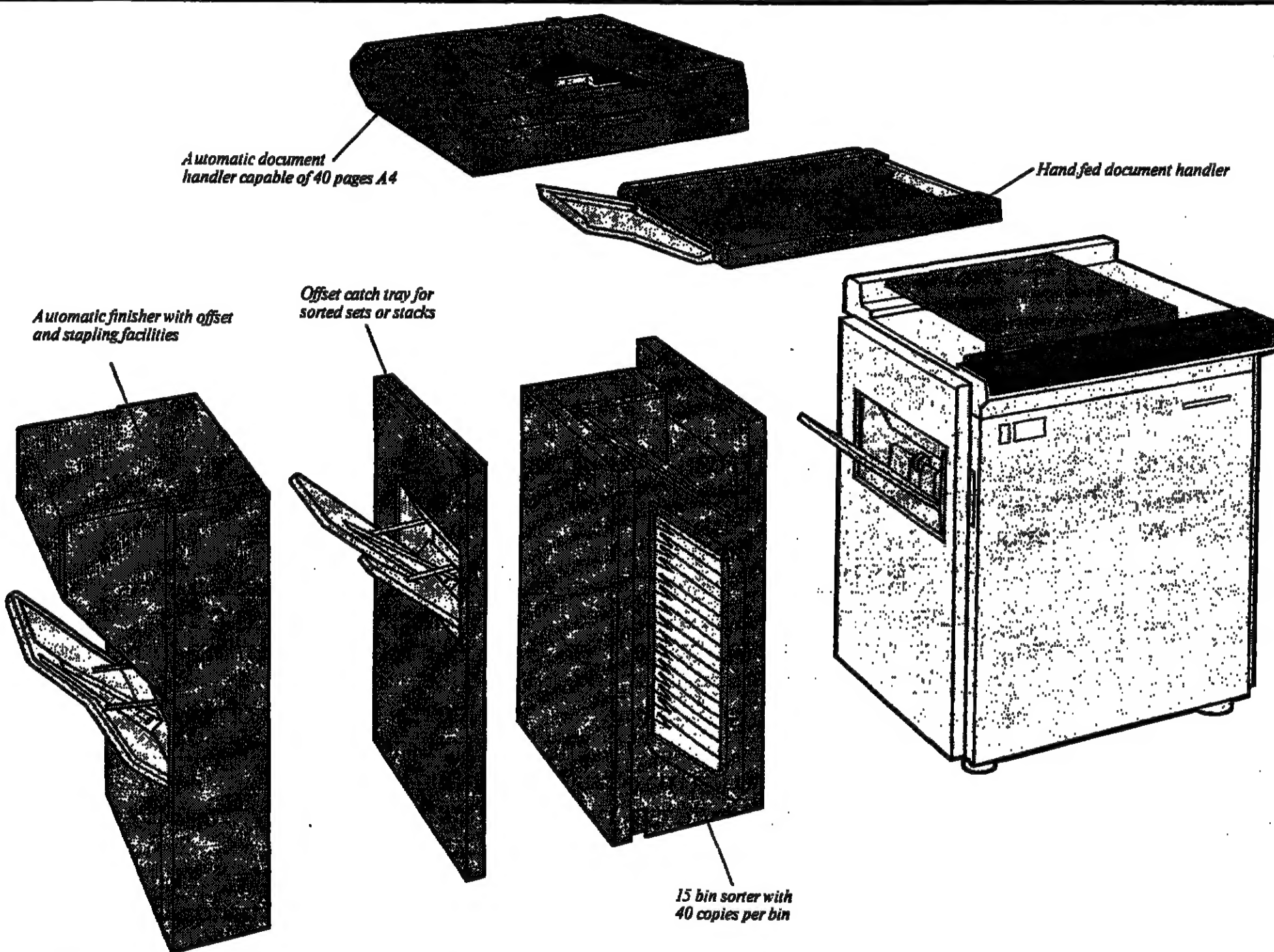
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Struggle in the slums: A Rio family whose hope may now be turning to disillusion.



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Triumphant tour ends but republican spirit lives on

The Princess who won the heart of Australia

From Tony Duboudin, Melbourne

The month-long tour of Australia by the Prince and Princess of Wales, which ended yesterday when the royal couple flew to New Zealand, was an unqualified success, due in large part to the Princess. She won the heart of Australia.

Feelings of the average Australian were summed up by the cartoonist Wog on Friday in the *Melbourne Herald*, the country's largest circulation evening newspaper, with a cartoon showing an outline map of Australia with a heart superimposed over it and words "Princess Diana" in the centre. The caption read: "A permanent imprint".

While the tour was enormously successful in terms of the main size of the crowds which turned out to see the royal couple, mainly the Princess, it is unlikely to have changed most Australians' attitudes to links with the Crown.

Most people admire and respect the Royal Family; but there is an underlying feeling that eventually Australia will become a republic, the only thing is doubt being when.

It would be wrong to interpret the enthusiasm and warmth of the greeting given to the Prince and Princess - and it was considerable - as marking a turnaround in basic attitudes. What it does indicate is that Australians love a good spectacle - and the royal tour was without doubt a first class show.

Most Australians look on

the Prince and Princess as an extremely nice, wholesome couple, particularly since they brought Prince William with them. Mr Bob Hawke, the Prime Minister, probably best summed up the attitude with his description of Prince Charles as "a nice enough bloke".

With a Labour Government in power, the royal couple's reception in Canberra, while cordial and relaxed, lacked the more enthusiastic feel that it would have had under Mr Malcolm Fraser.

Mr Fraser is believed to have been the force behind the move to have Prince Charles made Governor General. That idea now buried, and had no chance of being resurrected under a Labour Government.

Already, Labour has moved in several areas to reduce Australia's ties with Britain by the abolition of the Imperial honours system, the scrapping of appeals from Australian courts to the Privy Council, and the abolition of the power of veto which London had over the appointment of state governors.

The Labour Party has always had a significant republican wing as a result of its strong association with the Roman Catholic Irish section of the population. Also, there are many Australians who no longer have family links with the British Isles. Talk of links with the Crown to an Italian or a Greek, is meaningless. Melbourne, for example, has



Prince William arriving in New Zealand and Prince Edward water skiing in Australia yesterday.

the third largest Greek-speaking population of any city.

It did not escape notice of the republicans that on Friday the Prince and Princess visited Ballarat, 70 miles north-west of Melbourne, and spent some time at Sovereign Hill, a recreation centre for Ballarat

during the gold mining boom of the 1850s, and 1860s.

Ballarat is also where Australian republicanism had its beginnings at the Eureka Stockade uprising in 1854, when disgruntled goldminers took up arms against the colonial administration.



The Eureka flag, a silver

cross on a blue background with the stars of the Southern Cross, is still the flag of the republicans. On a number of occasions during the tour, the royal couple had the flag waved under their noses.

The uprising was put down by police and troops sent from Melbourne with the loss of 30 lives. The royal couple's itinerary did not include a visit to the Eureka Stockade memorial.

China shells border posts and issues warning to Vietnam

Peking (Reuters) - Chinese artillery pounded Vietnamese ground fortifications yesterday as border clashes intensified, the New China news agency said.

Chinese troops returned the fire of Vietnamese frontier guards and the shelling, which began yesterday morning, was still going on.

The artillery barrage left the Vietnamese strongpoints "in a mess", the agency said in a report from a forward command post in an unspecified part of Yunnan province.

On Saturday the agency said Chinese troops had fired back at Vietnamese soldiers in neighbouring Kwangsi province and that Vietnamese earth defence works had been destroyed. Neither report gave any indication of casualties.

Yesterday's report said Chinese troops were forced to return fire after frequent Vietnamese border attacks in the past four weeks in which an unspecified number of peasants working in the fields had been killed.

"Vietnamese special agents sneaked into Chinese border areas to set fire to the mountains", the agency said and accused the enemy of setting fire to more than 1,500 acres of jungle, bamboo groves and rubber plantations. Enemy agents also destroyed houses and telecommunication links.

"People's Daily" warning: China said yesterday that Vietnam was provoking armed

clashes on their common border because of China's support for Thailand and its demand for withdrawal of Vietnamese forces from Cambodia, David Bonavia writes.

A front-page leading article in the *People's Daily*, entitled "A Warning to the Vietnamese Authorities", recalled earlier allegations that Vietnamese troops on China's southern border had killed and injured civilians and border guards. Chinese forces, it said, had opened fire in response.

"The Vietnamese authorities must immediately halt these provocations and invasions", it said.

The tone of the warning was similar to that of statements made before the invasion of Vietnam by the Chinese Army in 1979. However, it is thought unlikely that China will undertake military action on such a large scale unless the alleged provocations are greatly increased.

● BANGKOK: Khmer Rouge guerrillas have begun an attempt to retake from Vietnamese troops an important stronghold in the Thai-Cambodian border, AFP reports.

Their field officers said guerrilla units who lost their Phnom Chat hill stronghold straddling the border early this month began staging hit-and-run attacks against Vietnam's heavily-armed infantrymen on Saturday after a week-long calm.

Britain faces lone farm prices battle

From Ian Murray, Brussels

Mr Peter Walker, the Agriculture Minister, is certain to be isolated in Luxembourg today when he tries to stop his fellow EEC ministers from pushing up farm prices by more than the 4.5 per cent increase proposed by the European Commission.

He will be arguing that there should be no increase at all this year for products that are in substantial surplus, particularly those in the dairy sector, cereals, sugar and wine. He will also want to see prices for a range of other products cut back below the levels being proposed by the Commission.

He will be able to quote the latest provisional figures from the Commission to help his case. These show that in the first two months of this year milk production in the EEC was 8 per cent to 9 per cent up on last year. This means that there is an extra 22 per cent of butter over the same period, and a staggering extra 32 per cent of skimmed milk powder.

He will argue that only by holding back prices would it be possible to rein in this runaway increase, which is now using up nearly a quarter of all the Community's available money. He will emphasize that the surplus is not only depressing world markets but also putting a growing strain on relations with the United States.

The current Commission proposals for the 1983-84 price package would add around

£200m to the Community budget this year and a further £385m next year. These increases will help to nudge total Community spending very close to its legal limits.

This year, following the realignment of currencies in the European Monetary System, there is a wider range than ever in the green currency rates, which adjust agricultural payments to take account of exchange rate fluctuations.

This means that only farmers in Britain and Denmark would have increases in line with the final settlement. West German farmers would receive only about 1 per cent increases, while Greek farmers could expect a rise of nearly 17 per cent. Other countries are spaced out between these two extremes.

This imbalance means that a large part of the negotiations over the next three days will be spent in trying to agree new green currency rates to iron out the differences. Some countries, led by France, will be arguing that because the rate of sterling is so low, it is depressing the whole level of farm prices. They will therefore try to have the green pound taken out of the calculations in order to bring up price levels.

Although the session this week is meant to be the one at which the prices are fixed, there is little real urgency yet on the part of most countries.

Calvi's last companion is accused

From John Earle, Rome

Flavio Carboni, a Sardinian businessman who was with the late Roberto Calvi, head of Banco Ambrosiano, during the last days of his life in London in June, has been accused of complicity in the attempted murder of the bank's vice-chairman a year ago.

The vice-chairman, Signor Roberto Rosone, who was then Signor Calvi's deputy, was shot in the leg as he left his Milan home for the bank on April 27. A security guard shot dead the attacker a well known figure in the Rome underworld.

Three Romans with criminal records have also been accused in connexion with the murder attempt. The public prosecutor has given no details, but Signor Carboni's lawyer, described the charge against his client as one "of moral complicity".

Signor Carboni helped to organize Signor Calvi's flight from Italy just before the country's biggest private banking empire collapsed.

After Signor Calvi's death - the cause has yet to be ascertained since the original London coroner's verdict of suicide was quashed - Signor Carboni flew to Edinburgh allegedly with help from some British free masons. From there he took a private aircraft to Switzerland.

Seveso's top men on trial today

Monza (Reuters) - Five senior

company officials go on trial here today facing charges connected with the 1976 explosion at a chemical plant in Seveso which caused Italy's worst pollution disaster.

The former chairman of the Icmesa plant, Guy Waldvogel, and its managing director, Herwig von Zwehl, will be among those facing charges of responsibility for a disaster, the provision of inadequate safety measures, and causing physical injury.

The trial opens amid controversy over where highly toxic dioxin from the explosion has been dumped. The explosion polluted an area of 4,500 acres, killing animals, destroying plants and provoking an outbreak of the severe skin rash chloracne.

This is certain to give the proceedings added edge in an area where the July 1976 disaster at the plant, owned by the Swiss company Givaudan, still stirs bitter emotions.

The trial opens with workmen at Seveso still busy dismantling the plant.

According to Signor Luigi Noe, the special commissioner leading a group of 60 officials working on the rehabilitation of Seveso, clean-up work should be finished next year.

Storms swamp Delhi

Delhi (AFP) - Residents were busy yesterday repairing houses and salvaging cars as the Indian capital limped back to normal after two days of unprecedented rains.

At least two people were killed in a house collapse and more than a dozen injured in the downpour, described as the heaviest in living memory, which ended in a huge hailstorm on Saturday night. Firemen saved the lives of about a dozen children trapped

inside a tent. But there were also freak victims - 30 washermen's donkeys which were swept away in an open sewer. Seven were later found dead.

More than 500 cars were stuck in soft mud and pits.

● ISLAMABAD: Torrential rain in central and northern Pakistan since the beginning of April has destroyed nearly a third of the wheat crop, agricultural experts said here, AFP reports.

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†Since replaced.

دکتران

Moscow reluctant to continue cycle of tit-for-tat expulsions

From Richard Owen, Moscow

Western diplomats said yesterday that although the Russians might retaliate for the expulsion of a junior Soviet diplomat from London on Friday, there are signs that they hoped to wind down the cycle of tit-for-tat expulsions.

Sources said Moscow was angered by the British action, but was also seeking to minimize the damage to Soviet-European relations since the present series of expulsions.

The expulsion by Britain of Mr Anatol Chernyev, a Third Secretary at the Soviet Embassy in London, was described by the Foreign Office as a purely retaliatory move against Russia for the expulsion from the Soviet Union of Squadron Leader David Williams. The British Assistant Air Attaché in Moscow, and Mr Anthony Robinson, Moscow correspondent of the *Financial Times*. There was no suggestion that Mr Chernyev had been caught spying.

The expulsion of Squadron Leader Williams and Mr Robinson was in turn a response to a British move against two Soviet diplomats and a Soviet journalist. The three Russians had been charged with "activities incompatible with their status" the usual euphemism for espionage. Squadron leader Williams and Mr Robinson, however, were merely accused of "impermissible activities". A much vaguer term.

"We have gone from the expulsion of Soviet spies to Soviet retaliation against people they might be spies to British retaliation against somebody who nobody even claims

is a spy," commented one Western European diplomat. "In my view the Russians would be happy to see the cycle come to an end."

There are six Third Secretaries at the British Embassy in Moscow who could be targets for retaliation if the Soviet authorities decide to take symbolic revenge for the British move against Mr Chernyev.

There are signs that the Soviet leadership is concerned at the deterioration in the East-West atmosphere in Europe. The Soviet press has for several days carried statements by leading figures in the arts and by workers claiming that the expulsion of 47 Soviet diplomats by France nearly two weeks ago was engineered by the United States, and expressing the hope that French-Soviet relations will not suffer as a result.

The scale of the French action has not been officially revealed to the Soviet public. Press and television said "several" Russians had been expelled, giving rise to the current Soviet joke that the word no longer means three or four but has been re-defined as 47.

Several statements printed in *Leningrad* over the weekend accused Washington of "wrecking" our traditionally good relations with France. A poet said that American attempts to make mischief between Paris and Moscow would fail, and an actress said she hoped the "waves of slanderous attacks will die down and sanity and common sense will prevail".

"We must not forget that this all started because of Soviet

spying in Europe", one Western European diplomat said. "But the Russians are hoping to persuade Western opinion that Mrs Thatcher and President Mitterrand are at fault, and are encouraged by criticism of them in Britain and France."

As a pointer to Soviet policy, the list of May Day slogans published yesterday in *Pravda* in advance of the celebrations included an injunction to the "peoples of Europe" to "prevent the deployment of new American nuclear missiles in Europe".

Diplomatic sources said the Russians hoped that in the deteriorating East-West atmosphere, Western public opinion would blame western governments for lack of progress at the Geneva arms talks.

Moscow at the same time wanted to avoid a disruption of its relations with Western European capitals - particularly Paris - since its strategy was based on an attempt to "decouple" Western Europe from the United States.

● LONDON: Mr James Callaghan said yesterday that the British Foreign Office and security services throughout the world believed the Soviet Union had stepped up its espionage activities in recent years. But speaking on the BBC radio programme, *The World This Week*, the former Prime Minister said he did not agree with Britain's decision to expel another Soviet diplomat. He called it "a little childish", and wondered if Mr Francis Pym, the Foreign Secretary, had got a touch of the sun "while he was in the Middle East".

Black power salutes at Transvaal funeral

From Michael Hornsby, Delafontein

The body of Mr Saul Mkhize, the black community leader shot dead by a policeman on Easter Saturday, was laid to rest at the weekend in a family graveyard on the hillside here where his grandfather first built a home more than 70 years ago.

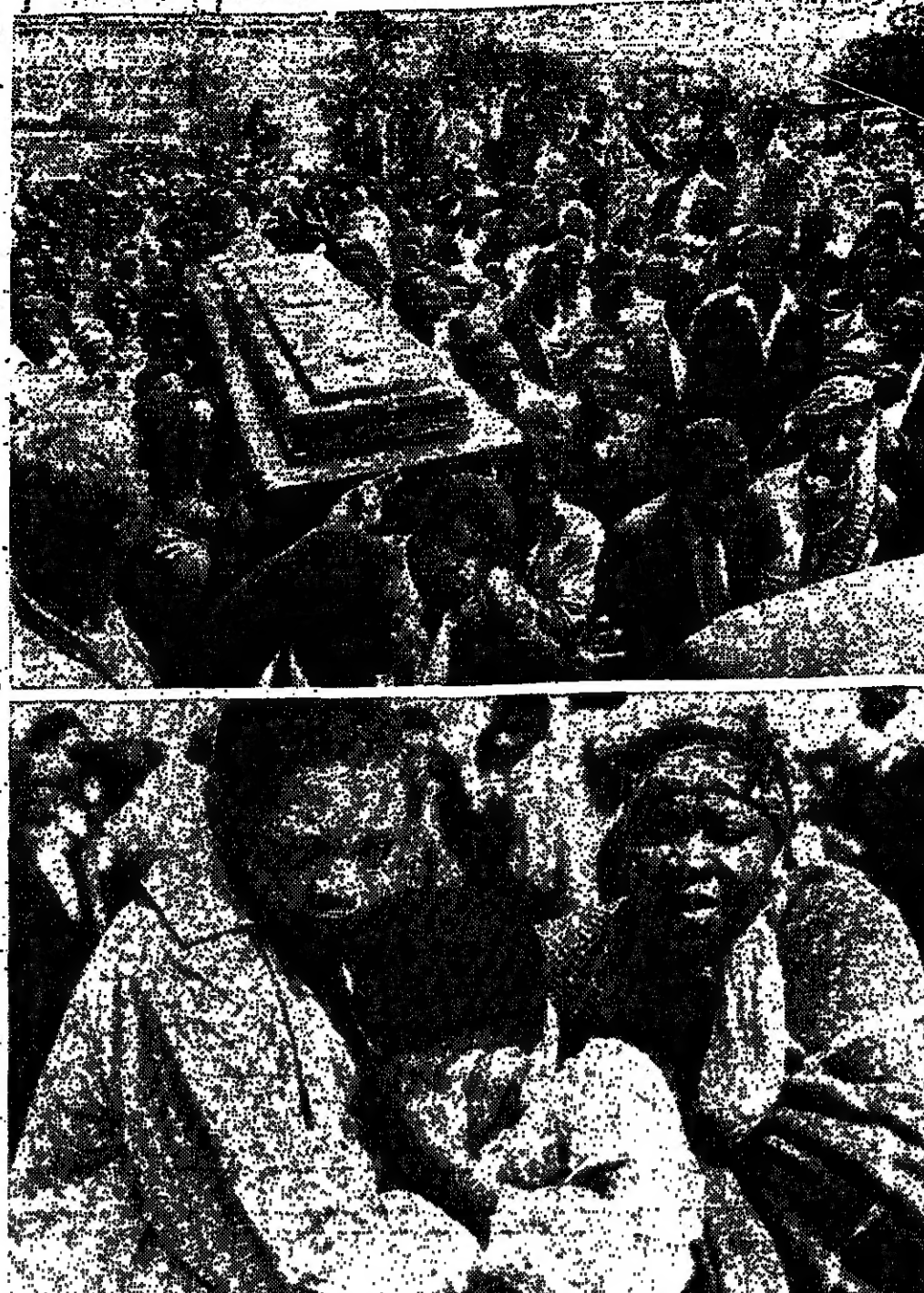
Between 2,000 and 3,000 people, some of whom had come by bus and van from hundreds of miles away, gathered on the slopes above the Mkhize homestead. They chanted and sang, they pressed round the graveside as the coffin was draped with one of the homespun blankets which many Africans use for coats and lowered into the ground.

"Go well, beautiful here", the voices sang as clenched fists were raised in the traditional Black Power gesture. Many of the villagers seemed more than a little bemused by the way these politically-minded elements from Soweto, as nearly always happens on such occasions, took the funeral over to proclaim their own message and sing their own songs.

Earlier the villagers and their visitors, among them a handful of whites, crowded into a makeshift tent to speak and sing the praises of the man whose unexpected death has stirred this remote rural settlement in the Western Transvaal briefly into the world's headlines.

Bishop Desmond Tutu, the General Secretary of the South African Council of Churches, said: "The whites think that by killing Saul Mkhize they have finished with him. Ironically, it is through his death that he will be able to achieve what he wanted."

The bishop was reflecting a widespread feeling that because of the outcry at home and abroad over Mr Mkhize's death, the South African Government will find it very difficult to go ahead with its forced removal of the community's 5,000 or so inhabitants to Swazi and Zulu tribal reserves.



Africans grieve: Saul Mkhize's coffin being carried to the graveside (above) while many of the 3,000 mourners were overcome during the funeral service.

Mr Mkhize had been coordinating resistance to the move at the time of his death. He was shot dead by a white policeman while trying to address an "illegal" meeting of villagers in the yard of the local primary school. (Under the

Riotous Assemblies Act any outdoor gathering can be deemed illegal if not officially authorized.)

Others spoke of Mr Mkhize as a man of resolution and courage who had asked only that the Africans' legal claim to the land should be respected.

Four areas of crisis

From Stephen Taylor, Harare

Zimbabwe's hardest year since independence

Tens of thousands of Zimbabweans will today stream to rallies across the country to sing, to dance and to hear their leaders extol the benefits brought by three years of independence.

Largest of the gatherings will be at the Rufaro Stadium in Harare, where Mr Robert Mugabe, the Prime Minister, and President Canaan Banana will be among the speakers at a display by the Fifth Brigade, the shock force whose sweeps through Matabeleland earlier this year became synonymous with atrocity and brutality.

Not all Zimbabweans will join the celebrations. Whites might take advantage of the holiday to escape to the misty Eastern Highlands or Lake Kariba. Among the Ndebele minority, too, there will be little revelry, for them the fruit of

independence has acquired a bitter taste.

As Africa's youngest state enters its fourth year there are four areas of crisis which threaten to make it far and away the most difficult yet: the incipient insurgency in Matabeleland; a nationwide drought, the worst in decades; the drastic economic slowdown caused by the world recession; and the parlous state of relations with South Africa.

Government spokesmen say the authorities recognize the need for a political rather than military solution to the divisions which have widened so dangerously in the past year between the Shona-speaking peoples, represented by Mr Mugabe's Zanu (PF) party and the Ndebele followers of the Patriotic Front.

While Zimbabwe has its problems, they tend to obscure

the Government's achievements over the past three years in the fields of education and health. Although the privileged whites and an increasing number of affluent blacks - complain of deterioration at the top end of both services, the resources available are reaching far more people. School enrolment has more than doubled since independence and rudimentary health facilities are now accessible to most.

The rise of the black middle class is one of the most prominent features of the new Zimbabwe. As positions in commerce and the civil service have opened up, as a consequence of Africanization and white emigration, blacks have acquired the wealth to buy the kind of cars, homes and club life which were once the sole preserve of whites.

For the *povo* - the great majority of Zimbabweans - the benefits of independence are less tangible. In spite of the introduction of a minimum wage, pay increases have been far outstripped by inflation and there are occasional startling grumbles by blacks that "we were better off in the old days".

But while signs of dissatisfaction within his own political constituency must be worrying for Mr Mugabe, security remains his greatest problem. Zimbabwean troops are deployed in Mozambique against South African-backed guerrillas, while the soil of Matabeleland has become fertile ground for the growth of an organisation similar to the Mozambique Resistance Movement.

The next three years of independence are bound to be difficult.

Hard time for reverse Napoleon

By Simon Winchester

Later this month a middle-aged man from St. Helena, Aubrey Theodore Stevens, will attain a dubious distinction for which the Emperor Napoleon might well have yearned. He will if the Foreign Office agree, be sent into exile from the remote Atlantic rock to serve his life term in Britain.

Stevens - who lives in Jamestown, the colony's tiny capital, and beside Longwood House, where Napoleon spent most of his six years in exile - is the first man ever convicted on this peaceful and generally crime-free island since 1905. Last year, he shot a young policeman in a domestic dispute. After a trial in February presided over by the Chief Justice of Gibraltar, and with Mr Louis Blom-Cooper QC defending, Stevens was convicted, sentenced to life imprisonment, and marched off to the local lock-up.

There are only five cells and such prisoners as find their way there are customarily allowed out for a dip in the sea if the weather is too hot. A friendly little jail, and not all the place where a life might be expected to be rigorous time.

So last month, the island government petitioned London under the rarely-used Colonial Prisoners Removal Act of 1884, asking for Stevens to be put in a British prison instead.

The Home Office agreed. The Foreign Office expects to announce its decision shortly. The St Helena authorities now have a problem. There is no airport, and a ship plying between the Cornish port of Helston, and Cape Town, calls every two months. The next sailing in a fortnight is full.

"Mr Stevens will have an escort, of course," said Mr Allan Hoole, the island's Attorney General speaking from Jamestown. "We would expect two policemen to accompany him."

In a British prison, Stevens will be a lonely man. His wife and children don't want to visit. His elderly mother will try to make the 5,000-mile trip, "and we will do all we can to help," said Mr Hoole. "He has to go. We have just not got the facilities to keep a man for life."

Except, of course, if his name is Napoleon.

Kohl likely to visit Andropov in July

From Michael Binyon, Bonn

Chancellor Helmut Kohl, who returned here on Saturday after what has been seen here as a successful one-day visit to Washington, announced he will visit Moscow within a few months.

During his talks with President Reagan, Dr Kohl emphasized his country's firm resolution to go ahead with the deployment of American Pershing 2 missiles this autumn should the Geneva arms talks fail. He said in an interview published here yesterday that the Soviet Union had to know that the West would stick by its decision if the Russians did not reduce their missiles.

The overwhelming majority of our people understand that we must not allow ourselves to be blackmailed by the threat of medium-range missiles", he said. Germans would accept the deployment of the new weapons as a necessary counter measure if the Geneva talks failed.

Dr Kohl was quick to accept an invitation to Moscow which was extended to him shortly after his election victory. He is expected to go there in July before Parliament meets for the summer, and will tell Mr Yuri Andropov, the Soviet leader, that any attempt to play Bonn off against Washington will fail.

— a point he emphasized during his Washington visit.

The Chancellor knows that his country is still seen by the Russians as an important Western interlocutor, and that Moscow is as anxious as Bonn to keep reasonable relations at a time of general East-West tension. The Russians have been careful to suggest to Bonn that they are ready to continue the search for a compromise at Geneva, in spite of their brusque rejection of the latest American offer.

The Chancellor has several times expressed optimism that a solution can be found in Geneva. He said in Washington it was now up to the Russians to reply to the Americans' latest "constructive" offer, and will make the same point to Mr Andropov, both he and Dr Hans-Dietrich Genscher, the Foreign Minister, have said the Russians have not spoken their last word yet.

The Christian Democrats have been pleased by the good atmosphere that marked the Chancellor's brief visit, and feel the new Bonn-Washington concord, noticeable since Dr Kohl's reelection, can be further built on.

Leading article, page 13

Shultz in Mexico peace initiative

From John Carlin, Mexico City

Mr George Shultz, the United States Secretary of State, was scheduled to arrive in Mexico City last night to discuss peace plans for Central America. This is a subject on which traditionally, and now more than ever, the United States and Mexican governments have failed to see eye to eye.

Only last week Señor Bernardo Sepúlveda, the Mexican Foreign Minister, who will be Mr Shultz's main interlocutor during his two days of talks in Mexico, refuted again the US thesis that the conflicts in Central America form part of a broader East-West confrontation.

Mexico has always held the view that the violent problems in Central America are the consequence of deep-rooted social injustices and not the direct product of interference in the region by the Soviet Union or Cuba. The Mexican Government



President de la Madrid: Meeting three American officials.

also called last week, together with the governments of Colombia, Panama and Costa Rica, for the removal of the foreign military presence from Central America.

This comes at a time when the United States is poised to increase the number of its military advisers in El Salvador, and is being widely accused of promoting atrophy by right-wing counter-revolutionaries to

overthrow the left-wing Sandinist regime in Nicaragua.

Mr Shultz said in Washington last week that it was his Government's ambition "to work together" with Mexico towards a solution to the conflicts in Central America. But such a possibility seems unlikely without a significant shift in position by one of the two countries.

There is a view, however, that Mexico's dependence on financial and commercial assistance from the United States at a time of grave economic crisis might force the Mexican Government to be more accommodating on its foreign policy towards Central America.

Certainly this view, strongly repudiated by President Miguel de la Madrid's Government, will be tested during the visit of Mr Shultz who, interestingly, is to be accompanied by Mr Donald Regan, the Treasury Secretary, and Mr Malcolm Baldrige, the Commerce Secretary.

Ayatollah invited to Baghdad

Baghdad (Reuters) - President Saddam Hussein of Iraq invited Ayatollah Khomeini, the Iranian leader, on Saturday to an Islamic conference here on the 31-month-old Iran-Iraq war.

Mr Saddam told the conference, attended by Muslim clergymen from some 50 countries, that Iraq was host to the Ayatollah for 14 years during his exile before the 1979 Iranian revolution.

Commenting on a proposal to invite an official Iranian Muslim delegation to the conference, Mr Saddam said: "We agree and even invite Khomeini himself to attend this conference, the same way we Iraqi people and land hosted him for 14 years."

The conference of 280 Muslim clergy opened on Thursday with a call by Iraq for delegates to decide who started the Gulf war.

● BAHRAIN: Environmental officials said yesterday that much of the steadily growing oil slick in the Gulf was still in Iranian waters although the total area of the strategic waterway now affected was at least 8,000 square miles, Reuters reports.

The information was based on recent reports from helicopters and space satellites monitoring the movements of the slick which has been spreading out of control in the absence of action to cap broken Iranian wells in the Iran-Iraq war zone.

At least 2,000 barrels a day of thick oil with some unofficial estimates running as high as 8,000 barrels, have been pouring unchecked from the Iranian wells for at least six weeks. Political wrangling between Iran and Iraq and recent intensified fighting between them have prevented attempts to cap the wells in the Persian Gulf.

Arafat keeps dialogue with Husain open

Rabat (Reuters) - Mr Yasser Arafat was quoted yesterday as saying that he and King Husain of Jordan were determined to pursue their dialogue on finding a formula for Middle East peace.

In a statement on arrival in Fez, the Palestine Liberation Organization leader said "certain minor differences" had emerged in the talks with King Husain which were suspended a week ago after six months of contacts.

Mr Arafat arrived from talks with President Habib Bourguiba of Tunisia and President Chadli Benjedid of Algeria. He was due to confer with King Hassan of Morocco yesterday.

Mr Arafat said he would discuss resuming talks with Jordan and the agenda of a special Arab summit which

King Hassan hopes to hold next month in Fez.

Mr Arafat's tour of North Africa comes before a crucial meeting of the Palestinian leadership due to be held soon in Tunisia in an effort to reach a consensus on resuming talks with Jordan.

Radical PLO leaders based in Syria are reluctant to attend the meeting because they oppose making a deal with Jordan which they see as an American-inspired idea associated with President Reagan's Middle East peace proposals, Arab diplomats said.

● LONDON: Sultan Qaboos of Oman will meet Mr Francis Pym, the Foreign Secretary, today to discuss the next moves in the Middle East peace process, Henry Stanhope writes.

Convicted union leader forced to quit

From Christopher Thomas, New York

The United States Government has succeeded in forcing the resignation of Roy Williams, the biggest and most powerful union in America.

His resignation was part of a deal in which he is likely to avoid imprisonment on a conviction of the agency of a bribe to a senator. The Government has made no secret of its determination to force him out of office because of his alleged connections with the Mafia.

Under the deal, he must cease all union activities immediately and formally leave his \$225,000 (£145,000)-a-year job on Wednesday. He is seriously ill and, according to defence lawyers, could not have survived imprisonment for long.

Steel's critical words under fire in Kenya

Nairobi (Reuters) - The *Sunday Nation* of Kenya criticized Mr David Steel yesterday for remarks he was reported to have made about Kenya during a two-week holiday here.

The newspaper quoted the Liberal Party Leader as telling reporters before leaving on Friday that dissent in Kenya had not been treated in a sympathetic way. "There is a whole difference between opposition and treachery. We are concerned that Kenya should not lose her reputation as a democratic nation," Mr Steel said.

The newspaper said his comments were critical of the way the Nairobi Government handled the coup attempt last August.

It said Mr Steel "was too stingy with his praises. We suggest that in future he makes a point to give credit where it is due, and to do so more forcefully."

Missions to study solar system

Washington (AFP) - Details of four planned space missions to study the solar system will be made public today, the National Aeronautics and Space Administration announced here.

They include a radar mapping of Venus in 1988, the orbiting around Mars for about two years of an unmanned spacecraft fitted with information-gathering equipment; a Mariner space probe to meet and study a comet as it heads towards the Sun before disappearing into space; and another space probe towards Titan, a moon of Saturn, between 1988 and 1992.

The last mission will be to map Titan and "penetrate" a scientific capsule through its atmosphere. That expedition might be the subject of international cooperation, NASA said.

Muslims caned for rioting

Karachi (Reuters) - At least 84 Muslim militants have been caned in a mass punishment for involvement in religious violence here last week.

The traditional Islamic punishment was carried out at Karachi's central jail with each offender receiving 10 to 15 strokes from a thick cane. All were arrested during clashes between minority Shia and majority Sunni Muslims in which shops, houses and cars were burnt.

Cross-channel power link

Luxembourg (AFP) - The European Investment Bank said it has granted loans totalling \$101m (about £68m) towards the cost of laying high-voltage submarine power lines linking the British and French power grids.

Half of the loan went to Britain's Central Electricity Generating Board. The project is expected to cost \$920m and is due for completion in 1986, with cables being laid in trenches on the Channel seabed.

Guns seized at Naples wedding

Naples (Reuters) - A wedding reception for the nephew of an underworld boss ended abruptly in an exclusive Naples restaurant when police burst in and arrested several guests. While the bride wept, guns and ammunition were seized from guests, one of whom had hidden his flick-knife in a vase of flowers.

Singer's fight



A Los Angeles judge has ordered the former husband of Helen Reddy (above), the singer, to hand over to her works of art by Chagall, Laotrec, Norman Rockwell and others. It was the latest step in a bitter legal battle between Miss Reddy and her former husband and manager, Mr Jeffrey Wald, in which both are seeking all custody of their 10-year-old son, Jordan.

Stolen time

Jerusalem (AP) - Thieves who broke into a museum of Islamic art stole nearly 100 beautifully-crafted 200-year-old pocket watches in what police say may be the biggest robbery in Israel's history. Israeli newspapers said the haul was worth \$5m (about £3.3m) but the museum's director described the collection as priceless.

Sadat hearing

Cairo - The Egyptian Higher Court of Ethics on Saturday began hearing an appeal by Mr Ismail Sadat, brother of the late President, against orders detaining him and three of his sons for a year and impounding their property. Government lawyers say the property was acquired by criminal means. The hearing was adjourned until April 30.

Khartoum crash

Khartoum - (Reuters, AFP) At least 17 people, Sudanese and Liberians, were killed when a Liberian aircraft crashed into a house where the new owners were celebrating moving in. Eight of the dead were passengers in the plane.

Indian satellite

Delhi (Reuters) - India yesterday put a satellite into orbit from a rocket-launching pad on an island in the Bay of Bengal. It was carried into space by a 17-tonne four-stage Indian-made rocket.

Pain in the neck

Delhi (AFP) - A Government-aided art college here has to close its "life drawing class" because the only model available is tired of neck ache caused by long hours.

Procedure for appealing ex parte orders

WEA Records Ltd v Visions Channel 4 Ltd and Others
Before Sir John Donaldson, Master of the Rolls, Lord Justice Dunn and Lord Justice Purchas
[Judgment delivered April 13]

It was difficult, if not impossible, to think of circumstances in which it would be proper to appeal directly to the Court of Appeal against an *ex parte* order.

The appropriate course for a party objecting to an Anton Piller order (which is made against him in his absence) was to apply to the judge who made it or, if he was not available, to another High Court judge, for its review.

The Court of Appeal dismissed appeals by defendants, Visions Channel 4 Ltd, Mr Terence Collins, Mr Charles Collins, and Mr Jeffrey Davies, against *ex parte* orders made by Mr Justice May on January 26, 1983, on the application of the plaintiffs, WEA Records Ltd, who sued on behalf of members of Federation Against Copyright Theft Ltd. The appeal was brought by leave of Mr Justice Peter Gibson.

Mr Romie Tager, who did not appear below, and Mr Philip Kemezis, for the defendants; Mr Mark Foster, for the plaintiffs; and Mr John Baldwin for the plaintiffs, WEA Records Ltd, who sued on behalf of members of Federation Against Copyright Theft Ltd. The appeal was brought by leave of Mr Justice Peter Gibson.

The MASTER OF THE ROLLS said that the defendants sought to appeal against an Anton Piller order made *ex parte* by Mr Justice May on January 26, 1983. The proceedings were important because the court had been told that both branches of the profession were in doubt as to whether such circumstances as existed as to defendant or proposed defendant who objected to the grant of an Anton Piller order should apply to the judge who granted it or, if he was not available, to another High Court judge, asking that it should be discharged or varied, or whether he should appeal to the Court of Appeal.

The plaintiffs suspected that the defendants were actively engaged in video piracy, in making or selling unauthorized copies of film or video tapes in breach of copyright.

After making inquiries they concluded that it was an appropriate case in which to apply *ex parte* for an Anton Piller order immediately before, or with, an application to issue a writ claiming injunctions, delivery up of the offending material and an inquiry as to damages.

Such was thought to be the urgency that counsel asked to appear before the judge armed only with a draft writ and instructions as to the result of the plaintiffs' inquiries. No affidavit evidence was produced.

Thus far the procedure was unusual but not without precedent in a situation of appropriate urgency. But the court had been told that counsel revealed to the judge certain information which might well have been relevant but was so confidential and sensitive that the plaintiffs considered that it could not properly be revealed later to the defendants.

His Lordship could not at the moment visualize any circumstances in which it would be right to give a judge information on an *ex parte* application which could not at a later stage be revealed to the party affected by the result of the application.

There might be occasions when it was necessary, for example, to conceal the identity of informants, but the judge should then be told that the information could not be given to him and the judge would have to make up his mind to what extent he was prepared to rely upon information coming from anonymous and unidentifiable sources.

His Lordship did not know to what extent the judge had relied upon that sensitive information. He had granted an Anton Piller order. The defendants were restrained until after February 3, or until further order, from *inter alia* selling or distributing specified "illicit goods" (copies of any films distributed by or in which the copyright was vested in any member of the Federation Against Copyright Theft Ltd) and the defendants were further required *inter alia* within four days of the service of the order to serve affidavits setting forth specified information and exhibiting all documents in their possession relating to the acquisition of illicit goods.

The order was served on the defendants and they complied with it. They could have refused immediate compliance and instead have made an urgent application to

have the order set aside. That was implicit in the last paragraph of the order.

His Lordship would emphasize as Lord Justice Buckley did in *Hallmark Cards Inc v Insure Arts Ltd* (1977) 1 FSR 130 that defendants who took that line did so very much at their peril. If they failed they would render themselves liable to penalties for contempt of court.

In compliance with the order, affidavits were filed by the personal defendants. In the case of Mr Jeffrey Collins the affidavit involved important admissions.

On February 3 Mr Justice May granted *ex parte* injunctions to continue the injunctions until trial but the motion was stood over upon the defendants giving undertakings.

On February 18 a different motion by the defendants to discharge the Anton Piller order was before Mr Justice Warner.

It was suggested that a tape recording of the proceedings to obtain *ex parte* injunctions be played to defendants' counsel for their ears only. That was done on February 21. On February 23 a transcript was provided for counsel for the defendants on terms that it should be seen by counsel only.

On February 24 the defendants' motion came on before Mr Justice Peter Gibson and occupied the day. In the absence of both the defendants and their solicitors, the transcript was read out to the judge.

His Lordship appreciated the problem which faced Mr Justice Peter Gibson when he learned that the original order had been granted after Mr Justice May had been told that the defendants' counsel, which could not be divulged to the defendants.

Such a situation should never be allowed to arise. Having arisen there was no possible justification for the information being revealed to the defendants' counsel, but not to their solicitors.

Solicitors were officers of the court and were to be trusted to exactly the same extent as counsel. Any breach of the trust would be visited with the direst consequences.

When the time came for the court to adjourn, counsel had not completed their arguments. There was some discussion as to whether the appropriate procedure might not be an appeal to the Court of Appeal rather than a motion to discharge the *ex parte* order.

The judge, without any discouragement from either party, made no order but gave leave to appeal to the Court of Appeal. The defendants' undertakings were continued.

In terms of jurisdiction there could be no doubt that the court could hear an appeal from an order made by the High Court upon an *ex parte* application: see section 16(1) of the Supreme Court Act 1981. Equally there was no doubt that the High Court had power to review discharge or vary any order which had been made *ex parte*. That was inherent in the provisional nature of any *ex parte* order and see Order 32, rule 6 of the Rules of the Supreme Court.

It should also be said that there was no power enabling a judge of the High Court to adjourn a dispute to the Court of Appeal which heard appeals from orders and judgments and did not hear original applications save in so far as they were ancillary to an appeal.

Ex parte orders were essentially provisional in nature. They were made by judges on the basis of evidence and submissions from one side only. Although there was a duty to make full disclosure, the judge expected to be given an opportunity to review his provisional order in the light of evidence and argument from the other side.

It was difficult, if not impossible, to think of circumstances in which it would be proper to appeal to the Court of Appeal against an *ex parte* order without first giving the judge who made it or, if he was not available, another High Court judge, an opportunity of reviewing it in the light of argument from the defendant and making a decision. Compare the position where a party did not appear (Order 35, rule 2 of the Rules of the Supreme Court) and *Vint v Huddipth* (1885) 29 Ch D 322.

In the present case the Anton Piller order was spent in the sense that it had been executed. The defendants invited the court to say that there was insufficient material to justify the judge's action at the *ex*

parte stage and to set the order aside.

That was absurd. The courts were concerned with the administration of justice, not with playing a game of chess.

His Lordship would dismiss the appeal, not on the merits but on the ground that it was an abuse of the process of the court in the sense that it was wholly inappropriate for the court to entertain the appeal.

The parties could take such further steps as they were advised. It was to be hoped that speedy progress would be made with the action in which the Anton Piller order was merely an ancillary procedural step.

In view of the confidential information disclosed to the judges and eventually to the defendants' counsel and solicitors, the matter had to be considered solely on the basis of evidence known to both parties and if the judge concerned had other evidence or information he should ignore it.

It might be thought better in the circumstances for some other judge to be seized of the action in the future.

The appeal should be dismissed.

LORD JUSTICE DUNN, agreeing, said that the *Hallmark Cards* case showed that the court looked at the reality of the situation including any evidence filed by way of admissions after the execution of the Anton Piller order.

If, after the order, the evidence showed that it was justified, the fact that the evidence before the judge was not as strong as it ultimately became was not a ground for challenging the order.

Lord Justice Purchas agreed.

Solicitors: Hughmas; A. E. Hamlin & Co.

Part year's residence qualifies for tax liability

Gubay v Kingston
Before Sir John Donaldson, Master of the Rolls, Lord Justice Dunn and Lord Justice Buckley
[Judgment delivered April 15]

In the context of a fiscal statute the expression "resident in the United Kingdom for a year of assessment" was a natural way of describing a person who had the status or quality for the purposes of liability to tax of being so resident for the year of assessment. It therefore included the person resident for part of the year.

The Court of Appeal in reserved judgments, Sir Denys Buckley dissenting, dismissed an appeal by the taxpayer, Mr Albert Gubay from Mr Justice Vinelott's order of July 6, 1981 (*The Times* July 10, 1981) dismissing Mr Gubay's appeal from a decision of special commissioners who had affirmed an assessment made on him for capital gains tax for the year of assessment 1972-73 in a reduced sum of £1,399,965.

In July 1972 the taxpayer gave 479,638 shares in Kwik Save Discount Group Ltd to his wife, who on April 4 of that year had taken up residence in the Isle of Man. He was resident or ordinarily resident in the United Kingdom during part of the year of assessment and was liable to capital gains tax in respect of the disposal unless the case fell within paragraph 20(1) of Schedule 7 to the Finance Act 1965.

That paragraph provided: "(1) If, in any year of assessment, in the case of a woman who in that year of assessment is a married woman living with her husband, the man disposes of an asset to the wife, or the wife disposes of an asset to the man, both shall be treated as if the asset was acquired from the one making the disposal for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the one making the disposal."

By section 42 (2) of the Income and Corporation Taxes Act 1970: "Where a married woman is living with her husband and either—(a) one of them is, and one of them is not, resident in the United Kingdom for a year of assessment, or (b) both of them are resident in the United Kingdom for a year of assessment, but one of them is, and one of them is not, absent from the United Kingdom throughout that year, the same consequences shall follow for income tax purposes as would have followed if throughout that year of assessment, they had been in fact separated in such circumstances that the separation was likely to be permanent."

By section 45(3): "References to a married woman living with her husband should be construed in accordance with section 361(1) and (2) of the Income Tax Act 1952."

Leave to appeal to the House of Lords was granted.

Mr J. Holroyd Pearce, QC, and Mr Robert Venables for the taxpayer; Mr Robert Carruthers for the Crown.

SIR DENYS BUCKLEY, dissenting, said that Mr Gubay and his wife were both resident and ordinarily resident in the United Kingdom until April 4, 1972. Mrs Gubay was absent from the United Kingdom throughout the year of assessment 1972-73.

Mr Gubay continued to be resident or ordinarily resident in the United Kingdom until October 28, 1972, when he left the United Kingdom and was neither resident nor ordinarily resident there for the remainder of the year of assessment 1972-73.

Throughout the period from April 4 to October 28, 1972, he made frequent visits to Mrs Gubay in the Isle of Man where she then resided. At all material times they were living together in the common acceptance of that expression. At all relevant times from and after October 28, 1972, Mr Gubay was

physically absent from the United Kingdom. It was Mr Gubay's transfer to his wife by way of gift of 479,638 shares of Kwik Save Discount Group Ltd on July 7, 1972, which gave rise to the claim for capital gains tax under section 20(1) of the Finance Act 1965.

Mr Gubay was ordinarily resident in the United Kingdom for part of the year of assessment 1972-73 and was liable to capital gains tax in respect of the disposal unless it fell within paragraph 20(1) of Schedule 7 to the Act.

The appellant, Mr Gubay, had been permitted to amend his notice of appeal to contend that in constraining paragraph 20 of Schedule 7 to the 1965 Act section 42(2) of the Income and Corporation Taxes Act 1970 (formerly section 361 of the Income Tax Act 1952) had no application.

Subject to section 42(2), if it was applicable, Mrs Gubay was a married woman living with her husband in the year of assessment 1972-73.

In his Lordship's judgment no part of section 42(2) had any bearing on the case. If that conclusion was right, the condition contained in paragraph 20(1) was satisfied and the disposal must be treated as having been made for a consideration of such an amount that the disposer made neither a gain nor a loss on the disposal in question.

If that conclusion was not correct, the words "for a year of assessment" in section 42(2) had to be considered.

For the taxpayer it was contended that the words should be interpreted as meaning "throughout" or "for the whole of" a year of assessment.

For the Crown, it was contended that the words meant "for the purposes of" or "in respect of" and that they applied in any case in which the proposer was amenable to United Kingdom tax legislation by reason of residence in the United Kingdom during any part of a relevant year of assessment.

The expression "resident for some particular period was not a term of art in income tax or capital gains tax legislation. Parliament by using the language of section 42(2) must have had in contemplation a significant interruption of the parties living together in an untechnical sense of the expression.

His Lordship would prefer the appellant's construction of section 42(2) (a) to that of the respondent and would allow the appeal.

LORD JUSTICE DILLON said that, since section 45(3) of the 1965 Act expressly referred to subsection (2) as well as subsection (1) of section 361 of the 1952 Act (now section 42 of the 1970 Act), he had no doubt that a married woman was for capital gains tax purposes not to be treated as living with her husband if either she was actually separated from him in the circumstances covered by section 42(1) or she was to be treated for tax purposes as separated from him in the circumstances covered by (a) or (b) of section 42(2).

As to the term "resident in the United Kingdom for a year of assessment" in section 42(2) (a), it was conceded by the Crown that it was not a term of art in tax law.

Difficulties and anomalies were avoided by the construction for which the Crown contended, namely: that resident for the year of assessment meant resident for tax purposes for that year, that is, resident for any part of the year.

It could be rephrased in various ways, for example, resident in relation to the year or in respect of the year.

His Lordship agreed with Lord Justice Vinelott that in the context of a fiscal statute "resident in the United Kingdom for a year of assessment" was a natural way of describing a person who had the status or quality for the purposes of liability to tax of being so resident for the year of assessment. It therefore included the person resident for part of the year.

With no little hesitation, since Sir Denys Buckley took a different view, his Lordship would dismiss the appeal.

The MASTER OF THE ROLLS, agreeing in dismissing the appeal, said that the essence of the interpretation of statutes was an earnest seeking after the intention of Parliament or, perhaps, more accurately, the deemed intention of Parliament. Parliamentary counsel could, as the appeal well illustrated, make the task more difficult on some occasions.

The mandate in section 45(3) of the 1965 Act seemed to be clear—for capital gains tax purposes the concept of a married woman living with her husband had to accord with both subsections (1) and (2) of the 1952 Act, now section 42 of the 1970 Act.

Being resident in the United Kingdom might be a status or a fact. Where it was a status, it was something which was enjoyed (if that was the right word) or not enjoyed for a whole tax year, save perhaps in the case of a woman who married and ceased to be resident on her wedding day.

Where it was a fact, residence could be for the whole or any fraction of a tax year.

If the statute was intended to refer to factual residence, his Lordship would have expected it to make it clear whether residence or non-residence was required for the whole or only part of a year, particularly since the draftsman had used the appropriate words "throughout the year of assessment"—where the factual length of absence was material.

His Lordship had no doubt that what was referred to was status as a resident or, as the case might be, non-resident for fiscal purposes in relation to a particular year of assessment.

Solicitors: Rooks, Rider & Co Solicitors of the Inland Revenue

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SPECTRUM

The Beatles never played there but the Stones, Jimi Hendrix and The Who did. The Marquee Club, from where British rock music sailed to conquer the world, is 25 years old this month

Playing the ace of clubs

By Richard Williams

They say of the empty Billingsgate fish market that when the cold-store permafrost finally melts, then the old building will crash down. In effect, its life and its function provided the cement without which it will not stand.

The same might be said of other kinds of premises: those whose bricks and mortar are no more than a package for the activities they contain and for the history which seeps into their fabric. The Marquee Club, for instance, has perhaps the least remarkable facade of all the establishments in Wardour Street, that archetypal Soho landscape of film production offices, sandwich shops and nude encounter parlours; nor is its interior remotely prepossessing, being dressed throughout in a black whose uniformity is varied only by the gels of artfully angled spotlights.

Yet, as with Billingsgate, it is easy to imagine the Marquee falling if someone should decide to abandon it, to cancel all its functions, and to submit it to a process of dehydration. For the Marquee is surely held together by perspiration: by the accumulated condensation formed from the sweat of all the people - a million or so, at a guess - who have thronged its confined cabin, jostling for air already saturated with the ringing, jangling, crashing decibels of drums and electric guitars.

This month, the Marquee Club celebrates its silver jubilee. Not, it is true, in the premises at which it first opened in April, 1958 - like Ronnie Scott's, it made a single move on the Monopoly board of Soho's clubland early in its life - but the idea of the Marquee is so central to popular music in Britain and beyond that the anniversary is worth the candles.

Notwithstanding rival claims, it was the cradle of a generation which began its vocation in parish halls with hire-purchase equipment and finished up in the mansions of Beverly Hills, Malibu and Weybridge, renting executive jets and fleets of trucks for assaults on the Houston Astrodome.

Among those who found a home

and encouragement there were, notably, the embryonic Rolling Stones, The Who, David Bowie, Led Zeppelin, Pink Floyd and Cream: names which went on to make, in the late 1960s and early 1970s, a sizeable contribution in terms of dollars, yen, marks and francs to Britain's balance of payments, and which made Britain the centre of the world's popular music.

Like the Liverpool car park which now stands above where once was the Cavern, like the entrance to the old Apple Corps headquarters at 3 Savile Row, the place has become a shrine.

The Germans in the early 1970s were the first worshippers, with long tank hair and torn jeans; then the Belgians, with bed rolls, and the Swedes. A few years later they were followed by the Japanese, massively enthusiastic converts awash in cameras, who pointed their lenses at the club sign, at whichever aspiring group happened to be on stage that night, and at the section of the wall against which - or so somebody told them - Jimi Hendrix had leaned while in conversation with Eric Clapton and Pete Townshend one night in the summer of 1966.

Why the Marquee? Why not the Cavern, the Flamingo, the Roxy? Why did others fall by the wayside, as such clubs usually do, while the Marquee stood firm and prospered?

Its origins involve two men: Chris Barber, the jazz trombonist and bandleader, and his friend Harold Pendleton, a jazz-mad accountant with a City firm, were engaged in various informal business ventures, among which was the notion of starting a club. Barber says it was because he wanted an alternative West End venue for his band; the existing ones had bad acoustics or a bad smell. They found a basement under the Academy Cinema on Oxford Street. It had been a ballroom; and the



Marquee pop-pourri: top, The Who in their mid-60s prime; centre (left) Adam Ant, (right) Jimi Hendrix; bottom, Chris Barber, co-founder and director, and the embryonic Rolling Stones in 1963

name of their new club suggested itself, since the place was already decorated with a motif of marquees over the bandstand. To begin with, the club was open only on Wednesdays, and featured only Barber's band; soon an evening of modern jazz was inaugurated on Saturdays.

In 1960, without anyone realizing it, the events began which were to secure the Marquee's reputation. In Barber's band at that time were Alexis Korner, the guitarist, and Cyril Davies, the harmonica-player. Both were students of the then unfashionable American rhythm and blues music, and were featured each night in a special spot

with Barber's band, which otherwise performed the standard trad jazz repertoire.

"After a while, Alexis wanted the band to play nothing but rhythm and blues", Barber remembers. "We couldn't do that, for musical reasons. It would have meant limiting the musicians we already had. Harold Pendleton and I decided to give Alexis the Marquee Club on Thursdays, so that he could play with his own band."

Korner's own band was called Blues Incorporated. It included Davies and the singer Long John Baldry, and a young drummer called Charlie Watts. Among their admirers, who came

along to the Marquee from school or college or the office and then dispersed back to the suburbs of London, were boys such as Mick Jagger, Brian Jones, Keith Richards and Bill Wyman.

Jagger, who travelled in from Dartford, eventually became one of the band's singers; although when the BBC invited Blues Incorporated to make a radio broadcast, the corporation would pay for only six musicians and Jagger volunteered for demotion. That same night, while Korner and the band were at the BBC, Jagger, Richards and Jones assembled an ad hoc group to fulfil the Marquee engagement. They called themselves the Rolling Stones.

They recruited Wyman and Watts, who had to be persuaded to leave the advertising agency at which he worked during the day, and the Rolling Stones became regular performers at the Marquee, where it became evident that they were adding to rhythm and blues its missing ingredient: youthful sex appeal.

Hordes of young men discovered the potency of the formula, and for the remainder of the 1960s the Marquee was their headquarters. From Newcastle came the Animals; from Sheffield the Spencer Davis Group with its singing prodigy, Stevie Winwood; from Birmingham came the mohair-suited Moody Blues; from Belfast came Them and the talented, taciturn Van Morrison. London provided Manfred Mann, the group named after its scholarly South African leader, and a young singer with a powerful voice and a taste for strikingly advanced menswear fashions called Rod Stewart.

Such activity made the Marquee the nodal point of the revolution in British pop. The Rolling Stones abandoned the club quite quickly, moving up to more capacious arenas, and the Beatles bypassed it entirely in their flight from Cavern to Royal Variety Performance, but it became recognized as quite the best place to see next week's stars. Then, in 1964, as the pitch became feverish, it moved.

The new premises, at 90 Wardour Street, had been a clothing warehouse. Like its predecessor, the new Marquee was a dry club. Coca Cola and Mars Bars were available over the counter, but little more. Nevertheless, it prospered; the eventual acquisition of a drinks licence was not the secret of its success, although it did help to keep the customers inside the club.

The mid-1960s was a halcyon time, the attendance record raised to a new level practically every weekend. It was finally left at a figure of 1,418 by the American singer and guitarist Jimi Hendrix in 1966. Jack Barrie, the club's present managing director, was on the door that night; he remembers with gleeful embarrassment how he gave pass-outs to everyone who wanted fresh air and kept letting new customers in to take their places. He also remembers the subsequent useful admonishment delivered by Harold Pendleton: "Don't you ever do that again," Pendleton said, as he counted enormous piles of ten-shilling notes into an unprecedented profit.

And so it rolled on, through Ten Years After, Jethro Tull, Genesis, the Nice, Free, Yes, Dire Straits, the Police, the Jam, Adam and the Ants and even today's heroes, Duran Duran. It became an institution which young musicians needed to conquer, a test of manhood. No band has ever earned its Rolls-Royces simply by playing there, but plenty have ensured their future.

Jack Barrie has a story he likes to tell. In the late Sixties, he says, a particular schoolboy was often to be found at the head of the queue awaiting admission. Eventually the staff got into the habit of letting him in early, for which he repaid them by arranging the chairs in front of the stage and sweeping the floor.

"He told me he was preparing for his O-levels," Barrie says, "but that he really wanted to be a drummer in a group. I told him to get an education. Being a drummer in a rock group - where was that going to get him? He took no notice, of course."

Needless to say, the boy, whose name was Phil Collins, achieved his mansions and limousines once he had joined a group, Genesis, and paid his Marquee dues on the far side of the footlights. The Marquee does not make stars of everybody; it just seems that way sometimes.

A pioneering study of police tactics just completed in Minneapolis has concluded that the best way to prevent husbands from repeatedly beating their wives is simply to arrest the husband. This contradicts conventional police thinking - and practice - which in recent years has emphasized mediation, counselling and other forms of milder intervention in cases of domestic assault.

The conclusion supports claims by feminist groups that arrest is the best way to protect battered women from further abuse.

The study, which has caused a stir among criminologists, was conducted by the Police Foundation, a private research organization based in Washington DC, in cooperation with the police department in Minneapolis. It was supported by a \$320,000 grant from the National Institute of Justice, a unit of the US Federal Justice Department.

Over 16 months ending late last year, police officers in Minneapolis used three different tactics to respond to 252 cases of "moderate" domestic violence, defined as assault which did not cause life-threatening injuries. The tactics were arrest, mediation, or ordering the violent spouse to leave for eight hours. The unique aspect of the study was that the police response was assigned to them at random before they arrived at the scene of the violence.

The president of the Police Foundation, Patrick V. Murphy, says: "In this experiment the Minneapolis Police Department has broken new ground in police research. For the first time a police department has systematically controlled arrest practices in order to learn more about the deterrent effect of arrest on crime."

The suspects were then followed up through police

Contradicting conventional thinking, which advocates mediation and counselling for domestic violence, a new US study recommends shock tactics. Rosemarie Wittman Lamb reports

Wife beaters to be arrested

reports and the victims through personal interviews for the next six months to see if the violence was repeated.

According to police records only 10 per cent of those men who were arrested went on to repeat the offence within the period, compared with 16 per cent of those given mediation or counselling and 22 per cent of those ordered out of the house for eight hours.

Of those arrested, 43 per cent were released in one day, 43 per cent were released within one week and 14 per cent were kept longer. Lawrence W. Sherman, the author of the report and director of research for the Police Foundation, says: "The findings suggest that arrest may be the most effective approach and separation the least effective". The report suggests that the police should reverse their present practice of rarely making arrests and frequently separating the parties in domestic assault cases.

The study has been praised by several leading US criminologists. James Q. Wilson, Professor of Government at

Harvard University and Vice-Chairman of the Police Foundation, calls it "a very significant study", adding: "It is the first time ever that anyone has attempted to assess the deterrent effect of arrest in a truly experimental way. It provides a fairly sharp challenge to the view widely held in the 1960s and 1970s that the best way to resolve these cases was with mediation."

Peter H. Rossi, Professor of Sociology at the University of Massachusetts and a past president of the American Sociological Association, describes the findings as "the first piece of evidence that something can reduce the amount of violence in domestic assault cases".

The man behind the study is the Minneapolis Chief of Police, Anthony V. Bouza, former commander of the Bronx in New York City, and known for his innovative approach to police intervention.

Admitting that policemen had "psychological barriers" to overcome in arresting men who abused their wives, he says that, as a result of the report, "I am going to restructure the training and prepare an order which will make it difficult for officers in domestic violence cases to avoid arrest."

"You are looking at a large social problem that exists everywhere, not just in the United States", he says. "It is estimated that 30 to 40 per cent of all marriages have incidents of violence. I am pleased with the results of the survey. It demonstrates that the hard way is the best way in the long run. The policy of the nation's police will change now as a result of this research. It will emphasize the necessity of arrest. My advice to women is to come forward and be counted. Start with the arrest and press charges. A timid response only gets you into deeper trouble."



Lawrence Sherman, author of the report and (right) Anthony Bouza, Minneapolis Chief of Police.

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Running commentaries

MOREOVER... Miles Kingston



I don't know what you were doing during the London Marathon yesterday, and I'm not sure I really want to know. I don't think anyone wants to know what I was doing either. Have you noticed that it's only the really famous people who get asked what they were doing, or what their favourite room looks like, or how they spent My Day?

Quite right, too. The price people have to pay for being famous is being pestered by journalists with idiotic questions, and the more the better. So yesterday I made a lot of people sorry for being famous by asking them what they were doing during the greatest race in history.

Sir Richard Attenborough: "I was standing near the start of the race, and I can honestly say it was like being in India all over again when I saw these 16,000 chaps in white dress suddenly coming towards me. It was very moving, very awe-inspiring and very humbling-making. At least, it was till I noticed that a chap in the front was wearing a digmatic watch, which of course is totally anachronistic; they weren't invented in Gandhi's lifetime. So I stepped forward shouting: 'Cut! Cut! Let's go back for take two!' But they took no notice and swept over me, and that's the last I remember."

Sir John Betjeman: "Dear St Jude's in Deptford Town! Victorian, lovely, strong if coarse. But running feet will bring it down, so next year can you change the course?"

General Galtier: "Hello! This is a very bad line. Hello! Ah, it is you, my amiglo! Have you heard that I am to be put in

jail for writing guest columns for you? Si, it is true. But I am not afraid - I shall stand up for the truth always. Yes, I will send you a column from prison, which will be a big scoop for you, so I will be asking for more money. What was I doing this morning? I was packing for prison, my friend. My pyjamas, my typewriter, my medals. I am a simple man. A saint, you might say. Time will tell!"

Lord Lichfield and the most beautiful women in the world: "We watched the race from the window of my flat in Holland Park. At least, we would have done, but Fifi, who does not drink and had agreed to keep an eye open for the runners, reported after lunchtime that there was still no sign. We rang up the AA, and do you know, they weren't running through Holland Park at all! They had gone via Barking or somewhere dreadful. But we had a wonderful party."

Quentin Crisp: "I fled to New York from London to get away from the Marathon, and now I have found there is one here as well. Marathons are the most unstylish aspect of an unstylish era. The dress, of course, is distressingly uniform - what is the point of building up a costume over the years if one then takes it off and goes about in underwear? In a crowd of similarly dressed people? And no one, not even the winner, is looking their best at the end of the race. Panting never did anything for anyone. I'm afraid."

Ilyd Harrington: "Yes, of course I ran in the race. But not in the main race - I competed

in the wheelchair race after the main event for disabled people. What a wonderful set of people they are! So brave, so uncompromising, in the face of so much bureaucracy. Unfortunately, I was thrown out of the race because I wasn't disabled and because I was using my GLC chauffeur-driven wheelchair, which apparently contravened the rules. But this was a misunderstanding, and I am sure that a meaningful dialogue will clear everything up. If not, I shall arrange a race next year for

people with unpronounceable first names."

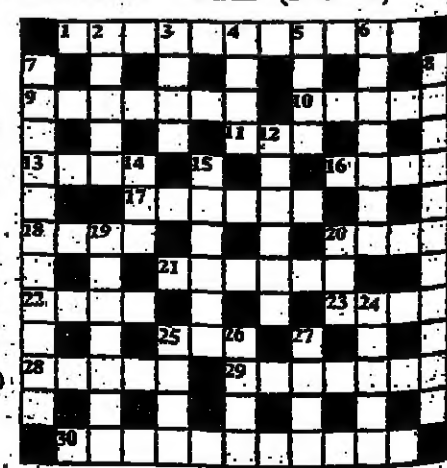
The Queen: "Dreadful. It was absolutely dreadful. The fitter and the people going all over the grass, and loudspeakers blaring. Quite awful. Or so I'm told. I made sure I was out in the country. Well, one doesn't want the rush hour on Sunday as well, does one? No. Quite. By the way, this is strictly off the record, *entre nous*."

In tomorrow's SPECTRUM: Churchill's wartime plan for the union of Ireland

CONCISE CROSSWORD (No 40)

- ACROSS
1 Recklessness (11)
5 Bait (7)
10 Not busy (5)
11 Sheep (3)
13 Travel permit (4)
16 Fine deposit (4)
17 Assuredly (6)
18 Swartly (4)
20 Accompanying (4)
21 Decendent (6)
22 Metrical foot (4)
23 Farm shelter (4)
25 Society girl (3)
28 Shrubs (5)
29 Axillae (7)
30 Callously (11)

- DOWN
2 Vegetian leaders (5)
3 Sufficient (4)
4 Period (4)
5 Get up (4)
6 Language (7)
7 Demanding employer (5)
8 Superficially (11)
12 Money case (6)
14 Holy receptacle (3)
15 Prize draw (6)
19 Plant (7)
20 Insect trap (3)
24 On a line (5)
25 Challenge (4)
26 Wicket top (4)
27 So be it (4)



- SOLUTION TO No 39
ACROSS: 1 Exciter 4 Humid 8 Eye 9 Glycerol 10 Aggra 11 Sub
12 Earthen 14 Misrepresents 16 Leucocoria 18 Rock 21 Cune
22 Shindig 23 Les 24 Today 25 Tatters
DOWN: 1 Edge 2 Court 3 Troublesome 4 Reeve 5 Head restraint
6 Moonshine 7 Diagnose 13 Small cat 15 Spurred 17 Asset 19 Cane
20 Ages

PROFILE: Georges Marchais

The sick man of France

FINDINGS

The first in a weekly series on scientific research: ARCHAEOLOGY

A curse on the tax collector

The usual way of cursing someone in the Roman world was to write your name on a strip of lead, roll it up and bury it in the temple grounds. One of the more tedious tasks of the archaeological conservationist is to unroll these curses and to read them, though the British in which they are written is so bad as to defeat initial interpretation. Schoolboy Latin has been the habit of the Roman world. But when they are unrolled, who is cursing whom? That is the problem facing the excavators of a possible Roman tax collector's depot at Claydon Pike near Lechlade in Gloucestershire. Will the lead rolls here be the curses of the tax collector on those who pay their taxes late, or the curses of the taxpayers on the tax collector? Or will they be the traditional curses of the Roman world concerning love that has gone wrong?

The site is a conundrum - a vast sprawling Roman settlement about to be destroyed by gravel digging. Clearly it was not a villa, but neither was it a village. Well-built Roman roads lead into it from all directions and there appears to be a temple at the centre. The presence of the Roman army - notably in the form of an amphora shard scratched with

the words LEG II A, that is, the Second Legion Augusta - is also indicated.

Excavator David Miles believes that it could be a tax depot where the natives drove in their taxes on the hoof, and the extensive compounds would have been collecting stalls for the aforesaid four-legged taxes.

New look at man

Peterhouse College, Cambridge, has long been the Cambridge stronghold for Tory academics. Grahame Clark was first Director of Archaeology and then Master of Peterhouse; since his recent retirement he has left the chair of a broader look at archaeology and in the Identity of Man (Methuen) he has laid down what many will see as the new Tory philosophy of archaeology - or at least the Peterhouse version of it.

The key concern is with "cultural diversity". The process of humanization, he argues, did not advance in a uniform manner but assumed many guises and it is this variety of responses which distinguishes man from animals, and this diversity which gives man his identity. Archaeology, by enormously lengthening our knowledge of man's past, has emphasized this great diversity.

His major fear is that machine technology is tending to have a homogenizing effect on man, and that this combined with the intellectual threats of egalitarianism, will lead to dehumanization. The highest culture he argues, always appears in hierarchical societies.

Tories might like to ponder his final stricture on the European Common Market where "administrative deadweight may serve to undermine traditional ways of doing things... It is beside the point to argue the logical superiority of litres to men accustomed to drinking their beer by pints. The process of homogenization, however convenient to administrators and accountants, is one which carried to its conclusion destroys not merely the diversity of cultural patterns but the dignity of man himself."

Sponsored digs

Whether we like it or not, we are moving into a new age. Archaeology is talking less of digging money out of government, and more of sponsorship, competitions, and fairs; and there is even a renewed emphasis on that much-despised figure, the amateur archaeologist.

The best example of this is the Lloyds Bank Equipment Fund, which sets out to provide grants to enable independent archaeologists (amateur is a rude word - independent sounds much better) to buy equipment. The fund is now worth £2,000 annually and this year it was divided among 14 societies and individuals, which will enable them to buy equipment - from surveying aids and resistivity meters to, in one case, a radio-carbon date.

The fund is organized by the Royal Archaeological Institute, a venerable body founded in 1846, and which has been moving into those areas where others fear to tread: it is hard to know which has been the more surprised, Lloyds Bank at the success of its sponsorship, or the RAI at its boldness dabbling in these commercial liaisons which its Victorian forebears would have found strange indeed - or would they?

Andrew Selkirk
The author is editor of Current Archaeology

Georges Marchais is an ailing man of 62 at the head of an ailing party, also coincidentally aged 62. There are fresh rumours of the imminent departure of both - the former from the powerful post of General Secretary after 11 years, the latter from its two-year partnership with the socialists in Government - and the meeting of the French Communist Party's central committee this week is expected to be critical.

There is growing resentment among many militants at their party's participation in a government that has shifted even further to the right, and there is intensified criticism of Marchais and his disastrous leadership. When he took over in 1972, the Communists' support in the country was 20-25 per cent. In the 1981 presidential and parliamentary elections, it was 15 per cent and it is less than 10 per cent today, according to the latest unpublished opinion polls.

What used to be whispered is now being said out loud: Marchais has become a liability; he must go. "At the very top of the party machine, the final steps are being taken toward his elimination," an anonymous party leader was quoted as saying last week. Marchais himself is said to have spoken to close aides of his impending departure during a visit to China last October.

But the very orchestration of this campaign arouses suspicion. The Communist Party is not like other parties in its own mysterious, double-edged, coded way. The Secretary General is like the Soviet President. Once in office, he becomes synonymous with the party and is considered almost infallible, never to be criticized, ridiculed, or shown to be wrong (at least not in public or until he has gone).

Some observers believe the rumours have been deliberately started by the party leadership itself to scare the Government into making further concessions to the Communists for fear of finding Marchais, considered a "centrist", thrown out in favour of a more pro-Moscow hardliner, such as André Lajoinie, leader of the Communist group in the National Assembly and the favourite to succeed Marchais.

The party has had only three general secretaries in its history, and both the previous two, Maurice Thorez and Waldeck Rochet, left because of serious illness. In a normal political party, a leader might be expected to resign or be pushed out if the party reversed its policies; in the Communist Party, the General Secretary calmly makes the 180 degree turn and continues to act as if nothing has changed.

Marchais has already made at least two dramatic U-turns. In 1977 he broke away from the union he had helped to forge, stabbing the socialists in the back just before their expected victory in the 1978 parliamentary elections. And in 1981 he swung the Communists around in support of Mitterrand in the second round of the presidential elections, having campaigned against Mitterrand in the first round.

He could lead the Communists out of the government now, if need be, with as little compunction and probably with just as little threat to his position. Indeed, some believe that his position would be strengthened, arguing that the party could not take such a radical change of direction at the same time as a change of leadership. It is considered most unlikely that the Communists will leave the government in the

short term, as they would have too much to lose and too little to gain in their present weak state.

Rumours of Marchais's impending demise began circulating last summer when *L'Humanité*, the official newspaper of the Communist Party, ran a front-page article reviving allegations that Marchais had collaborated with the Germans during the war. The only person who could have authorized such a blatant piece of *lèse-majesté* was Roland Leroy, editor-in-chief, who was kicked off the party's secretariat by Marchais in 1979 and who was his former rival for the post of General Secretary. Some believe that Leroy is behind the present campaign (if campaign it is) to get rid of Marchais.

Reports that Marchais had suffered a serious heart attack, his second in eight years, in August while on holiday in Bulgaria, helped to fuel last summer's rumours. Marchais denied the reports, but made much ado about going into hospital for a "routine" check-up at the end of September. He emerged triumphantly five days later with an alleged clean bill of health and a statement from the party's politburo expressing full support for his leadership and denouncing suggestions that he was about to be replaced as "odious and ridiculous".

Nevertheless, Marchais took a heart specialist with him on a trip to

A man of the people, his father was a quarryman

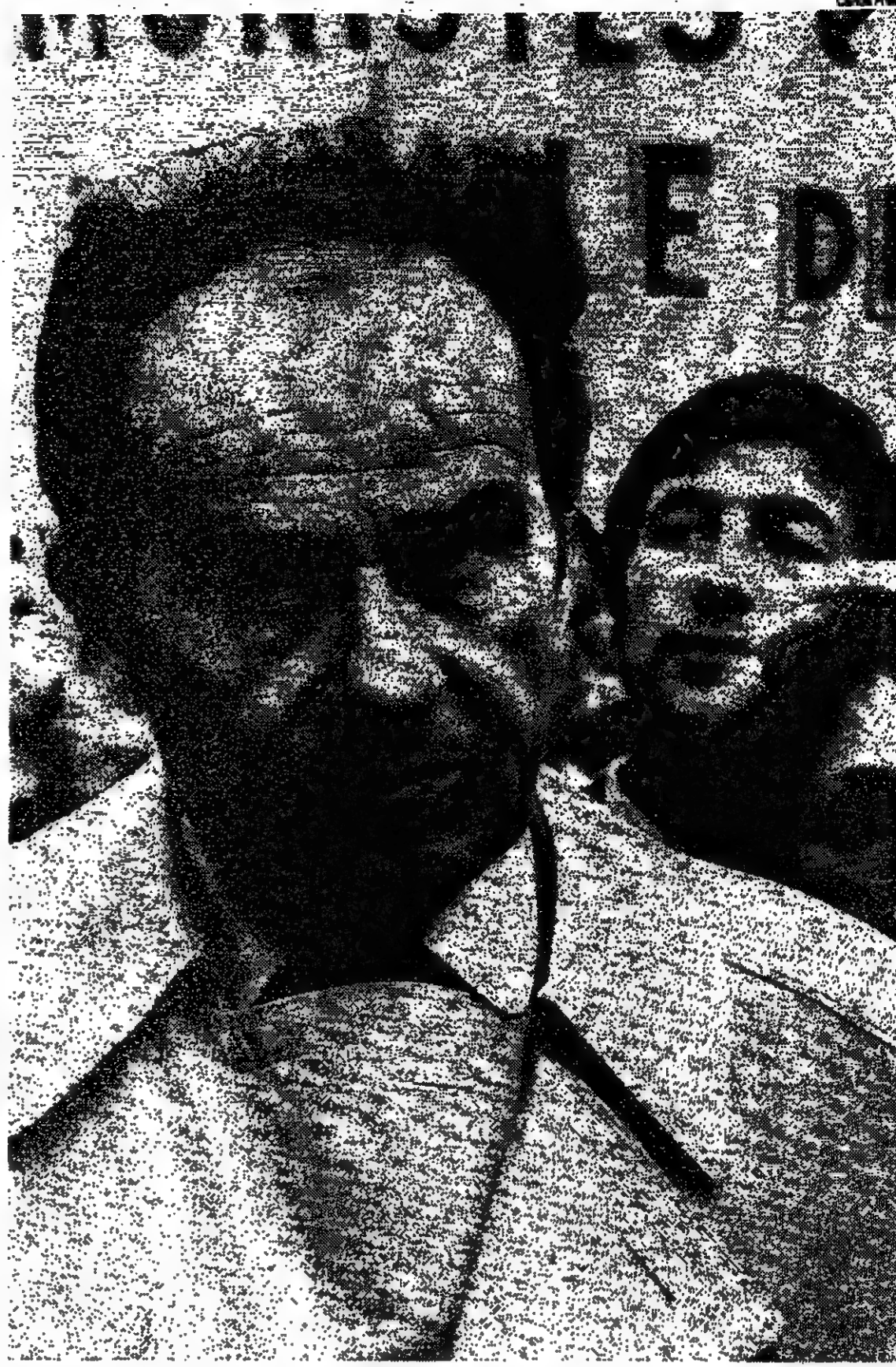
China a few weeks later, and it is now widely accepted that he did indeed suffer a heart attack. He has since cut down considerably on his heavy work schedule, and those who do not believe he will be pushed out, think he may decide to bow out gracefully, perhaps at the next party congress, that is scheduled for 1984, but may be brought forward to this year if the party's identity crisis worsens.

Several periods in Marchais's life remain unexplained. Where was he and what was he doing in the "missing" years between 1942, when he went to Germany, and 1946, when he reappeared as a CGT union official in Issy-les-Moulineaux outside Paris?

His rapid rise in the party, which he did not join until 1947 when he was already 27, also remains a mystery. That he was handpicked by Thorez, then General Secretary, is known, but why was he chosen? Did he or did he not go to Moscow in 1954/55 to attend the party "cadre" school? He has always refused to give an answer.

Like Thorez, Marchais is a "man of the people": his father was a quarryman and his mother of well-to-do peasant stock, both from Normandy, and he left school at 14 to become an apprentice mechanic. But unlike Thorez, Marchais never developed intellectual abilities or tastes. Indeed, Philippe Robrieux, author of a respected post-war history of the French Communist Party, who worked with Marchais until leaving the party in 1968, goes so far as to claim that Marchais is decidedly lacking in intelligence.

"No one ever dreamt that he would become General Secretary",



Robrieux says. "Behind a bluff, often aggressive, facade, there was a nervous, weak man with little sense of humour. But the party doesn't choose men of intelligence and character. They want obedient men, and Marchais knew how to obey. He was also a dynamic hard worker, with a peasant's cunning and tenacity. And he knew how to work the party machine."

Marchais was the only western communist leader to be received by Andropov at the time of Brezhnev's funeral last October, and it was through a personal message from Andropov to Marchais earlier this year that the West first learnt that Shcharansky, the Soviet dissident,

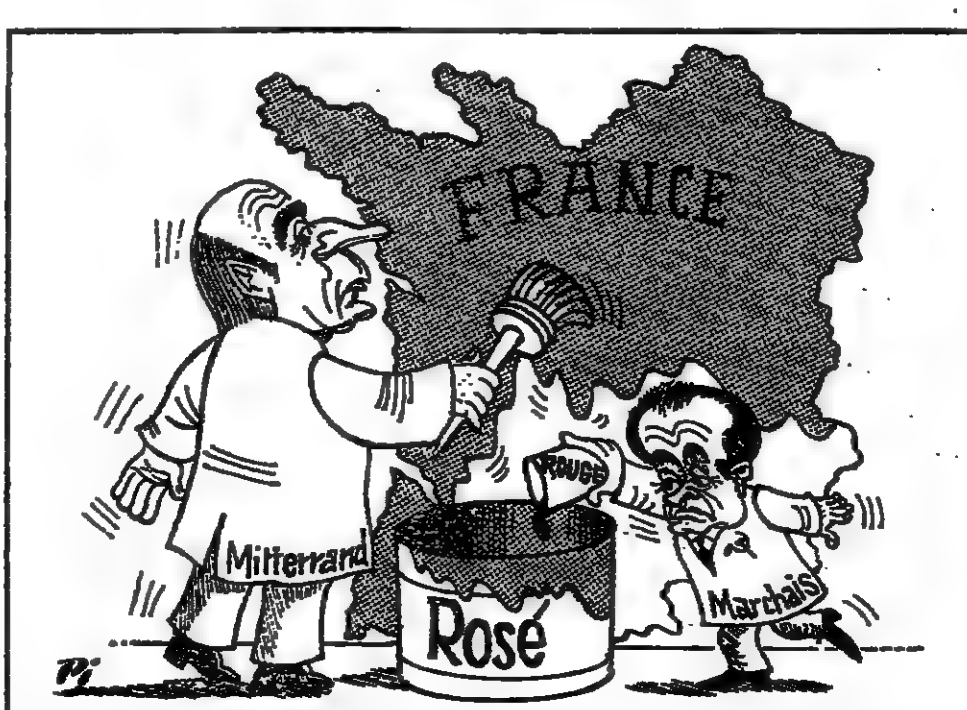
had given up his hunger strike. That kind of contact helps Marchais's prestige.

But Marchais is always at pains to stress the independence of the French Communist Party, insisting that there is "no one model of socialism", but that each party should adopt the model best suited to the history, needs, and aspirations of its own people. The recent expulsion of 47 spies from France was evidently acutely embarrassing for the party. Marchais could not afford to appear too critical for fear of appearing unpatriotic and too close to Moscow. He simply said it was a matter that did not involve the party, and that it in no way

called into question their participation in the government.

In public, Marchais appears as an acerbic, dictatorial man, with unattractive dark heavy features reminiscent of Nixon, prone to flying into towering rages, ill at ease as a speaker on public platforms, but good at combative debate on television. Indeed, he became something of a television star during the last presidential elections, but now seems increasingly like a faded music-hall entertainer who has failed to renew his act. It was easier, of course, in opposition when he could attack and destroy; now he is almost permanently on the defensive.

A twisting road to French socialism



the "French road to socialism", indicating that the PCF would now drop the term "dictatorship of the proletariat", which no longer accurately expressed its policy, and restated the party's attachment to democracy, pluralism of political parties and freedom of speech. Marchais stayed away from the Soviet party congress in February 1976.

It turned out, however, that none of these changes had altered the fundamental character of the party. In 1977 Marchais was able to execute a classic communist U-turn without any public debate in the party, indeed without anyone outside the inner core of leaders being sure to this day just why he did it, or whether he did it of his own volition or under pressure - and if under pressure whether

it was generated from Moscow or from within the party itself. For whatever reason, the party suddenly broke off negotiations with its Socialist allies on updating the common programme they had signed in 1972, and launched a virulent campaign of attacks on the Socialists for their alleged betrayal of left-wing unity - a campaign which effectively scuppered the left's chances of winning power in the 1978 general election.

The underlying reason for the change of tack was, almost certainly, the realization that the union of the left was benefiting the Socialists more than the Communists and that the latter were losing their position as France's main left-wing party. In order to wreck Mitterrand's Socialist Party, Marchais was prepared to abandon Eurocommunism

and return to close identification with Moscow. Thus he gave full support to the Soviet intervention in Afghanistan in December 1979, while in September 1980 he went so far as to declare that Mitterrand, if elected president, "would carry out the same policy" as Giscard d'Estaing.

The following month a national party conference nominated Marchais himself as the Communist candidate in the 1981 presidential election. The object was, clearly, to destroy the strength and popularity of the Socialist Party by destroying the unity of the left on which Mitterrand had based his strategy. But in the event Marchais's campaign had exactly the opposite effect. By allowing the Socialists to take sole credit for efforts to maintain the unity of the left it drove

many traditional Communist voters into Mitterrand's arms, and by emphasizing the difference between Communists and Socialists it strengthened the credibility of the latter, as an independent force able and willing to safeguard French democracy, in the eyes of the floating centre.

Marchais ended up with only 15 per cent of the popular vote - the lowest percentage his party had had in any French national election since 1936. Only by switching his support to Mitterrand on the second ballot, enabling himself to claim a share of credit for the left-wing victory, could Marchais retain some shreds of self-respect for his party. In June 1981 he was able to place four members of the party in the new government, but only on more humiliating terms, which amounted to promising unconditional Communist support for Socialist policies all along the line.

The expulsion of 47 Soviet representatives from France is only the latest of many helpings of humble pie that Marchais has had to swallow since 1981, and in the municipal elections last month his party suffered further losses. In any other party a leader with such an appalling record of failure would surely now be ditched, but in a communist party one cannot assume that this will be the case. Marchais is only the third leader of the party since 1936. His two predecessors were removed by natural causes, not resignation or dismissal. There is no procedure for removing a leader, or even for criticizing one so long as he is in office.

If Marchais is removed, it will not be the result of an open debate in the central committee, but of a decision taken behind closed doors in the politburo or, more likely, by a secret and illicit cabal of two or three influential people within it. Even that would be highly unorthodox: when it was done to Khrushchev in 1964, the PCF actually sent a mission to Moscow to protest.

Edward Mortimer

But there is another Marchais: the popular party man, who demands court-like loyalty from his subordinates, but knows how to reward them with warmth, familiarity and even a certain charm; and the gentle family man, devoted to (and dominated by) his second wife, Liliane, aged 46, also a party worker, and their 13-year-old son Olivier. Marchais also has three daughters by his first marriage to Paulette, a shop sales-girl, whom he divorced in 1967 after 26 years of marriage.

The private Marchais is a polite, sentimental man of simple tastes. He likes sentimental films, comics, going for walks, shooting in the country, an evening in front of the "télé". He is an ardent fan of the St Etienne football club. Once quite a *bon viveur*, he has had to cut back on his eating and drinking since his first heart attack.

Officially he receives only a modest salary from the party (6,000 francs a month in 1979, or only a little over £500). He evidently gets many perks. He lives in a six-room house in a fashionable Paris suburb, and has a second house in the country with a garden and, according to neighbours, a swimming pool and sauna. He has three cars, including a Renault 30, a full-time chauffeur, an armed bodyguard, a "daily help" to clean the house, and a special tutor for his son, who is reputed to be a bit of a tear-away. (Marchais recently won a libel case against a police federation which had accused his son of taking part in a "gang bang".)

He always travels first-class on planes, when not using the private plane provided for him during elections by Jean-Baptiste Doumeng, the "red millionaire". He either takes his holidays in eastern block countries or hires a villa in Corsica. Winter holidays are often spent on the Cote d'Azur.

Two houses, three cars and a bodyguard

Marchais's most likely replacement, Lajoinie, aged 53, and President of the parliamentary group of 44 Communist MPs, asked recently: "What good does it do French people to vote for the left if our policy is aligned to that of other countries governed by the right?" A former student at the Moscow "cadre" school, he is said to have the backing of Gaston Flissonnier, a pro-Moscow hardliner, member of the politburo for the past 19 years, and the reputed "kingmaker" in the party.

However, Charles Fiterman, aged 49, Minister for Transport and the only Communist included in the government's new streamlined "economic war" cabinet, is by far the most popular of the Communist leaders both in the party and in the country. He is a moderate, representing the opposite wing of the party to Lajoinie, and until now has been an ardent supporter of the Communists' participation in government, though even he is said to be beginning to have doubts. A former personal assistant of Marchais, he was originally groomed by him to be his successor.

Diana Geddes

Achilles heel of wartime

Marchais has an Achilles heel: his war record, or, rather, lack of one. In December 1942, as an unknown worker in the French aircraft industry, he went to work in Germany. He says that he did so against his will, his services being requisitioned under a law affecting workers with special skills, and that in May 1943 he managed to get leave to go back to Paris on a visit, after which he went AWOL and never returned to Germany. There is no proof that he volunteered to work in Germany, as has often been alleged, and documents purporting to prove that he was still in Germany in 1944 seem inconclusive. But Marchais has been equally unable to prove that he was back in France by then; and even if he did go to Germany against his will, that was contrary to Communist propaganda of the time, which urged young men to flee such service and take to the maquis. Marchais, then in his early twenties, has never claimed to have taken any part in the Resistance in which thousands of his contemporaries died. He did not join the Communist Party until 1947.

Perhaps the most interesting thing about all this is that it did not stop him becoming party leader (although senior people in the party must have known about it), and has not stopped him remaining party leader since it became public, although he has repeatedly been attacked for it. It may not be complete coincidence that he became party leader at the same time that President Pompidou, who also took no part in the Resistance, took over the leadership of the Gaullist movement. 1969 was the year when "what did you do in the war?" ceased to be the most important question a French politician could be asked.

THE TIMES DIARY

Wicked but nice

When Michael Winner's remake of *The Wicked Lady* is premiered on Thursday, Margaret Lockwood, the star of the original film, will be there to take a bow from the stage. Lockwood's last appearance was a cameo role in *The Slipper and the Rose*, made in 1976. She lives quietly in Kingston upon Thames, goes out little, and has turned down Winner's offer of a small part in the new film. She did, however, accept an invitation to dinner with Winner, who declares that at the age of 10, he was in love with her.

When Lockwood attended the 1945 premiere of the first film, her low-cut dresses were thought sensational, but Queen Mary told Lockwood she thought the film "rather nice". Later scenes had to be reshot for the American censor to cover excessive cleavage. This time, of course, the censor has let through a well-publicized scene in which Lockwood's successor, Faye Dunaway, has a whip-fight with a topless gypsy girl.

Unhappy ending

Sir Harold Hobson, the doyen of theatre critics, reveals in the new issue of *Drama* magazine an unhappy incident which, he says, "made me think over again the method by which I have been judging plays over the last 40 years". Hobson, who is 78 and a polio victim, was being driven to a side entrance of the Strand Theatre to see Tom Stoppard's *The Real Thing*.

Usually when his car stops to drop him, Hobson says, his evident disabilities are regarded with sympathetic understanding. But on this occasion, when his chauffeur got out to open the door he was set upon by the driver of a car behind and subjected to a hail of blows.

Understandably the dramatic incident upset Hobson considerably. It was not until the second act of *The Real Thing*, he says, that he could become absorbed in the play, and the whole of his piece had a fear, something of a valedictory tone.

● A chalked notice outside Stockwell underground last week announced: "We apologise for delays to trains on the Victoria Line. This was due to smouldering on the track." London Transport confusing the cause with the effect?

Battle lines

When David Waine, the newly appointed head of the British Television Network Centre at Birmingham, takes up his post, he will inherit three envelopes left by his predecessor, Phil Sidey. Sidey says they contain all any incumbent needs to know about the inevitable Birmingham versus London confrontations. Opening the first envelope for guidance he will find the succinct note: "Blame Sidey." The advice for the second row reads: "Restructure local management." The third envelope's message is: "Prepare three envelopes."

Bailing out

I have another cricket record unlikely to be bettered (or rather worsened) in the *Guinness Book of Club Cricket Records* which John Fogg is preparing. It is that set by Pat Auld, as opener for Beckenham in a needle match against Blackheath just after the war. He was clean bowled first ball, the only ball of the match. Auld was engulfed in a torrential downpour before he reached the pavilion, and there was no more play.

Dig this

British technology broke new ground in the US last week, proving that you do not have to stir from your chair to turn the first sod these days. Thomas Kean, governor of New Jersey, ceremonially started work on a £4m laboratory using a remote-controlled industrial robot from the comfort of his office 20 miles away. The whole business was witnessed by an assembly of dignitaries, watching on closed circuit television at a reception several miles from both Governor's office and building site. No one wants to stand on ceremony these days.

Standard work

In view of the lack of imagination shown by the European Parliament in the choice of a flag for Europe (they opted for the old Council of Europe flag, a dull blue field with 12 gold stars on a blue field) I am inviting my readers to enter the competition which many MEPs, including British Conservatives, had suggested should be organized. Send your designs, in words or drawings, and I will award a bottle of champagne for the most vivid.

Following the news that garden gnomes are to march in protest at their exclusion from the Chelsea Flower Show, and to picket the event, a Farnborough civil servant reports that his gnome has gone AWOL. The little chap sat in the front garden, and came with a note inside the front door and outside no gnome. The note read: "After years of devoted but unwarranted service to you and your predecessor I think I deserve a break." For the last seven months the former owner has been receiving postcards from gnomes around the world. The points at which these cards were posted now almost encircle the globe, so hopes are growing that the errant gnome may soon return home.

PHS



April 1943: German troops patrol the blazing Warsaw ghetto as they put down the uprising

Warsaw: new wounds for old

Roger Boyes reports on the strains brought to the surface as Polish Jews mark the 40th anniversary of their rising against the Nazis

Warsaw. At night, when the air was punctuated by shots and screams, Janusz Korczak, the Polish Jewish teacher and writer, would take a pen and a bottle of vodka and record the horror-as-normality of the Warsaw ghetto. "There are problems," he wrote, "that lie like bloodstained rags right across the pavement. People cross to the other side of the street or avert their eyes. I do the same."

In the back rooms of the ghetto, the Jewish Fighting League discussed how to obtain enough guns to stage an uprising. Some were smuggled in by non-conformist partisans disguised as firemen; some were delivered by couriers crawling through the sewers; some were even bought from Germans on the black market.

The Jewish resistance had to act swiftly: as early as 1941, the daily ghetto ration was 184 calories a person and almost 50,000 died of starvation. By 1942, hundreds of thousands of the Jews in the ghetto had been transported to Treblinka and other camps, crippling the resistance.

Forty years ago tomorrow, just before a new round of SS deportations, the ghetto exploded and for almost three weeks the Jews fought the German troops, mining entrances, hurling home-made hand grenades and firing the few weapons they had. The SS used tanks and flame throwers - "The Germans destroyed us with fire," as one survivor put it - and razed the ghetto, once a sort of home for 450,000 Jews.

Today the area of the ghetto is covered by high-rise blocks and modern empty-shelved supermarkets and there are few physical signs of the former community. Korczak, who died in Treblinka with the children of his orphanage, listed five qualities of the ghetto: "1. A prison. 2. A plague-stricken area. 3. A

matting ground. 4. A lunatic asylum. 5. A casino. Monaco-style - the stake, your head."

Now, as Jewish delegations from Israel, Britain and elsewhere come to Warsaw for the anniversary, we can give the ghetto a sixth attribute: it is a symbol of the acute sensitivity of relations between Polish Jews and gentiles.

If ever there was an anniversary that should have been celebrated with calm and collected memories, this was it. But it was not to be. A row has flared over the participation of the Palestine Liberation Organization in the diplomatic ceremonies, and some delegations tested on the brink of a boycott, with the Israelis under strict orders to return home if the PLO should as much show their faces near the ghetto.

Boycott was in the air anyway, with some Jews saying that anti-Semitism is still rife in Poland and planning an alternative ceremony to show their contempt.

The pomp of the anniversary celebrations this year suggests, however, that the Jaruzelski government is keen to heal old wounds. Warsaw's only remaining synagogue is to be reopened, a book praising the contributions of Polish Jewry has been published and General Mieczyslaw Moczar, a politician closely connected with the anti-Semitic campaign of 1968, has been quietly pensioned off.

These are more than gestures: it is evident that General Jaruzelski was never happy about the excesses of

1967-68, when the then leader Wladyslaw Gomulka denounced the presence of a "Zionist fifth column" in Polish society. Jaruzelski's advisers include many who resisted the dismissal of Jews from their jobs.

Resentment still rankles, however. Dr Marek Edelman, one of the few survivors of the uprising, has said he will not take part in the celebrations. Friction between Polish gentiles and Jews did not begin in 1968. In the nineteenth century Poland had the largest Jewish community in the world; sometimes the interests of gentiles and Jews coincided (as in the 1830 uprising), sometimes not. Tension was all too evident during the ghetto events in the last war.

Some Jews argue that more could have been done to help the ghetto resist the Germans. The Poles reply that they did all within their limited power, for the underground cells were not well developed in the spring of 1943 and guns were scarce. Jews were helped to escape from the ghetto through the sewers, and sheltered, but it is also true that some partisan groups in the countryside fought Jewish groups.

The rights and wrongs are still argued, but the arithmetic of the period shows the immensity of the Nazi terror and the limited opportunities for resistance. Six million inhabitants of Poland died during the war, almost half of them Polish Jews. Altogether more than 11 million people (of all nationalities) lost their lives in occupied Poland.

Dr Edelman, who was dismissed from his hospital in 1968 but who now works as a heart specialist in Lodz, says it is futile to talk in a serious way about anti-Semitism in Poland. "When the problem surfaces it is for political reasons. Sometimes they say Jews are good, sometimes Jews are bad - and then they try to impose this difference on us as if it had some kind of objective meaning. But this happens not only in Poland. It has been happening since the beginning of civilization."

Dr Edelman's refusal to take part in the celebrations has more to do with his disapproval of government policies. He fought, he declared in a recent interview, against the use of terror during the ghetto uprising. "The point is that authorities who have absolute power and who want to maintain this power have to resort to terror despite the wishes of society. Such methods usually begin with minor things such as the withdrawal of privileges, then people get sent to prison, then to camps and ultimately people get killed. This is the road followed by each authority that does not have the support of society."

He was not accusing the Polish government of being totalitarian; but his gesture had to be made now.

This apocalyptic vision is, of course, not shared by the government, whose officials argue that they are trying to gain the support of society, even if they do not have it at present. Dr Edelman's arguments are those of Solidarity sympathizers who argue that a government, however well intentioned, that acts in the name of the people but against its wishes eventually has to resort to direct enforcement and that such methods destroy the credibility of its policies. This is the most fundamental disagreement in Polish society.

Some wounds may be allowed to heal; others remain resolutely open.

Gerald Kaufman

The price some pay for the Tories

Mr Dick in *David Copperfield* could not keep King Charles's head out of his thoughts. Whatever he wrote, he whatever he said, in the end, he always got round to this obsession. Every government has its King Charles's head. For the first three years of Sir Harold Wilson's 1964-70 administration it was the parity of the pound; under Mr Heath, the trade unions. The present government's King Charles's head is inflation.

Such preoccupations, however important in themselves, can seriously distort both economic policy and its presentation; the drive to deal with one overriding problem may lead to disregard of other matters. What is more, if an administration fails or simply appears to fail on the principal issue to which it has particularly directed the electorate's attention, voters can hardly be blamed for judging that administration harshly, even if it is highly successful in other areas.

In the five months to the end of March 1983, the pound fell by 14.3 per cent, against the dollar, yet hardly anyone turned a hair; the 14.3 per cent devaluation of the pound in November 1967 was regarded as a devastating defeat for the Wilson government. Mr Heath was toppled because he was unable to curb the trade unions, having made legislation to deal with their alleged misdeeds the centrepiece of his appeal to the country in 1974.

It may well be argued that this government is in a far more favourable position. It chose the fight against inflation as its major objective, and it has won. Inflation is indeed falling, even if from time to time interrupted by a statistical hiccup. That is one reason why Sir Geoffrey Howe, the Chancellor of this regime, is going around assuring us that all's for the best in this best of all possible worlds. The problem for Sir Geoffrey is that his definition of inflation may not be accepted by the voters.

For the Chancellor, inflation is measured by the index of retail prices; currently, this is well down on the level he inherited, so in his opinion the problem is on its way to being cured. Voters look at the issue from a different standpoint. They

will listen, possibly respectfully, more likely with bafflement, to alleged experts' definitions of inflation. They will then go to the shops and buy things. If they get fewer goods this month for the same money they paid last month, they will complain about rising prices, whatever they are told they ought to believe.

In the real world of wage packets and cash registers, the breadwinner will judge the prices of commodities and services against the amount of money he has available to pay for them. Inflation, to ordinary, uncomplicated people, may be judged by what they have left over after buying the essentials of life.

The official index of retail prices fails to tell us how the finances of pensioners or council house tenants or beer drinkers are affected by the prices they have to pay. The information recently published by the Treasury, which shows how many minutes the average employed has to work to earn the money to buy necessities and luxuries alike, is a far more reliable indication of how people will react to government claims of victory over inflation.

The council tenant, who last year had to work six hours and 32 minutes to pay his weekly rent, against four hours 15 minutes in 1979, will greet Sir Geoffrey's Panglossian claims with a distinct sniff. So will the eater of beef, who had to work 4 per cent harder to buy his sirloin; and so especially will the car driver, who needed to work 28 per cent harder than under the last Labour government to pay for his petrol.

"Well, my dear Pangloss," said Candide, "when you were hanged, dissected, stunned with blows and made to row in the galleys, did you always think that everything was for the best in this world?" - "I am still of my first opinion," replied Pangloss, "for after all, I am a philosopher."

Sir Geoffrey may judge inflation as a philosopher-politician. The danger for him is that the voters, come the general election, may react too vividly being hanged for their rent, dissected for their beef, stunned for their mortgage and made to row in the galleys for their pension.

The author is Labour MP for Manchester, Ardwick.

Trevor Fishlock

City of turbans and tensions

Amritsar. In the picture gallery of the Golden Temple here the children gaze at the horrors of their history. Paintings show Sikhs being done to death, beheaded, sawn in half and skewered. There are also photographs of recent corpses, accented the status of martyrs, their fatal wounds highlighted with red paint.

"See how the children look," the guide says. "It is good for them to learn how we have been persecuted."

The sense of being special, a proud minority which has fought for survival, is instilled in Sikhs. It is one of the roots of the growing tension and violence in Punjab, the Sikhs' homeland and India's most prosperous state.

The troubles here pose a difficult and dangerous problem for Mrs Indira Gandhi's government. Events can rapidly get out of hand, as was shown recently when more than 20 militants blocking a road were killed by police.

The price for political mismanagement could be high. A slow fuse has been burning, and Mrs Gandhi is keenly aware that the fuse in Assam smouldered for a long time before the explosion of violence in February.

It is impossible to separate the religious from the political in Punjab. In the Golden Temple, the Sikhs' holiest place, twin flagpoles symbolize the link between faith and politics.

Hymns are sung around the clock, and the Holy Book, the focus of Sikh worship, is read continuously for the thousands of pilgrims who come every day to pray and to bathe in the temple pool.

The temple precincts house the offices of the Sikh Akali Party, long at loggerheads with the government, whose 45 political and religious demands are headed by a call for home rule.

The precincts also house the religious hardliners' leader, Jarnail Singh Bhindranwale, whose fanaticism is seen as a dangerous strand in the Punjab tangle.

The authorities are angry because Sikh temples in Punjab are used as refuges by men on the run. The police dare not enter them, and certainly not the Golden Temple itself for fear of violent reaction. A common sight at the temple are the Nihang Sikhs, the warrior monks who carry swords, bows and arrows and spears, and see themselves as defenders of the faith.

Outside the temple the police are in strength and are armed. Troops of the Border Security Force have been sent to the city. Meanwhile, Sikhs make token breaches of the law every day, and are arrested, as part of the campaign to make Mrs Gandhi give in. A scoreboard has been erected at the temple which gives a daily tally of those arrested since last August. The score now is more than 100,000. For many Sikhs arrest is a badge of honour.

History is a potent ingredient of the Punjab crisis. Sikh prayers end with the names of martyrs, and Sikhs know how their pacifist religion, founded in 1499, became a militant fraternity 200 years later as a defence against Moghul (Muslim) oppression.

In 1699 their leader baptized his followers (Sikhs means disciple) with sugared water, called *amrit*, hence

the name of their holy city, Amritsar. He also ordered them to adopt their distinctive appearance and accoutrements, to wear their beards and hair uncut, to carry daggers, to bury caste identity by taking the surname Singh, meaning lion.

In part the present troubles arise from Sikh fears that their faith is being eroded, that the dividing line between Sikhism and Hinduism is growing weaker.

Many Sikhs have been curing their hair and dropping out of the faith. The new fundamentalism espoused by Jarnail Singh Bhindranwale is a reaction to this assertion of the vital difference of the Sikhs. When a religious moderate was murdered, a hardliner commented that the killers had "restored the humbled pride of the Sikhs and given an upward twist to their downfallen moustaches".

This religious assertion, the perceived threat to a minority's existence, plays its part in the power struggle in Punjab. It is exploitable. Sikh pressure led to the state being redrawn in 1966 to create a Punjab in which Sikhs were in substantial majority. But the majority has now declined to 52 per cent and the Akalis have lost power to Mrs Gandhi's party. They want it back.

They have been able to harness a number of grievances. Although Sikhs enjoy the economic fruits of their noted enterprise, they still feel Punjab does not get a fair deal from Delhi, that they should have more industry, that their large contribution to the Indian economy should be recognized. They feel done down over the sharing of their river waters with other states, and angry that fewer Sikhs are being recruited into the army.

The Akali leadership talks of the government, of not being recognized as a distinct entity. The Sikhs are immensely pleased by the House of Lords' comment in the recent "turban case" in Britain that the Sikhs are almost a nation.

The Akalis do not recognize the Indian constitution, feeling they were cheated out of autonomy. It is clear that many moderate Sikhs, appalled as they are by the violence, feel that their community has not been well treated by the government. Although Mrs Gandhi has granted some of the Sikh demands there is a feeling that this was done too late.

The Punjab troubles are complicated, and even Sikhs sometimes confess themselves unable to comprehend the tangle. Akali leaders say there is a battle for survival. For some Sikhs it seems to be a struggle for struggle's sake. For others there is a proud minority's wish to be recognized.

There are two explosive elements in Punjab's crisis. One is the inseparability of politics and religion; emotions are easily aroused. The second is the relationship between the Sikhs and the Hindu community. There is a fear that Hindu tempers may grow dangerously short as the Sikhs press their demands.

Flodden Field lies off the A697 and not the A68, as stated in an article on April 9.

Vox populist: the rise of the radical right

In Britain, as in other countries of western Europe, the political alignments of the post-war era are rapidly disappearing. Conservatives now seek not preservation of the status quo but radical change, while Social Democrats and Liberals proclaim the need to restore a lost consensus - a better yesterday, in Mrs Thatcher's unkind phrase.

Mr Thatcher hopes to be able to secure a thorough transformation of society with the aid of Conservative votes, while the Alliance courts radical opinion in aid of essentially restorative ends. Meanwhile socialists, half-conscious that history has passed them by, exceed Alice herself in their ability to believe impossible things.

This transformation of ideologies is characteristic not just of Britain but of politics in the West as a whole. The main beneficiary of the transformation has been the populist right, an animal as different from traditional conservatism as it is from its ideological competitors. But its success has been in the realm of rhetoric rather than achievement.

For who can doubt that those countries which have clung to consensus models of government - Austria, Norway, Sweden - have better economic records than Britain or the United States. The consensual democracies have won the economic battles even if they have lost the ideological war.

It was perhaps to be expected that the philosophy of consensus would find itself under pressure after the recession. What is remarkable is that the recession has given rise not to the politics of economic self-interest driving voters to the left, but to a populist reaction on the right.

In the inter-war years this reaction took a primitive and irrationalist form. Today it lies firmly within the framework of democratic thought and practice, linking politicians such as Ronald Reagan, Margaret Thatcher, Jacques Chirac, Franz Josef Strauss and Menachem Begin in a new International of the populist right.

The conventional wisdom of 20 years ago declared that it would



Conservatives old style: Eisenhower, Macmillan, Giscard, Adenauer



Populists ascendant: Thatcher, Strauss, Reagan, Begin

prove electorally suicidal for conservative parties to embrace the radical right. Yet populism finds itself in the ascendant in conservative parties almost everywhere, and it has been able to win over electoral constituencies not normally associated with right-wing parties. In Israel, Mr Begin's support comes from the less affluent while Labour relies on the comfortably off. In the United States, Mr Reagan found himself in 1980 with less support than Gerald Ford among the business and professional classes, but running ahead of his predecessor among such notably un-Republican groups as northern Catholics, poor whites and Orthodox Jews. This may prefigure electoral patterns in western Europe with the evacuation of the centre benefiting the right and not the left.

In the immediate post-war years, conservatives - Eisenhower, Macmillan, Adenauer - were sceptical, managerial and internationalist. The contemporary right, however, is not very conservative. It seeks not to preserve a consensus but to transform it. The dictates of national self-interest should prevail over international cooperation, and institutions whose purpose it is to promote such cooperation, such as the EEC and the United Nations, are looked on with disfavour if not outright hostility.

The policy of détente, pioneered

by a previous generation of conservatives - Nixon, Kissinger, Heath and Pompidou - is seen as mere appeasement, although the only alternative which President Reagan has so far produced has been the belief that the world would be a safer place if the Soviet Union were to go away; true, no doubt, but not a very illuminating guide to practical action.

In domestic affairs, the radical right differentiates itself sharply from the managerial conservatism of Nixon, Heath and Giscard d'Estaing. To confine government to the administration of the mixed economy and the welfare state would be merely to perpetuate the disease from which western economies suffer. The cure is to be found not in managing the economy but in a radical moral transformation.

Governments influence events by affecting popular attitudes; they reduce inflation not through the mechanisms of social engineering such as incomes policies but by restoring the moral values of an individualist society - self-discipline and responsibility. It is in this sense that Mrs Thatcher's celebrated appeal to the Victorian virtues is to be understood.

But above all, for Reagan, Mrs Thatcher and Begin alike, conservatism, if it is to remain a viable political philosophy, must base itself on religion: The moralism of the

radical right is religious in origin, and imposes fundamentalist categories on the complexities of economics and foreign affairs. In meeting the widespread desire for simple solutions, it reveals itself as an intellectual movement of a peculiarly innocent kind.

In most western democracies, the radical right finds itself in competition with a model of government whose spiritual home lies in West Germany and Scandinavia, based on consensus and power-sharing and buttressed by proportional representation. It is between these two models of government - the Californian and the Scandinavian - that the fundamental choice for western electorates is increasingly likely to lie.

How paradoxical that it is the philosophy of social consensus which finds itself on the defensive, threatened by doctrines which have turned the economies of Britain and the United States into disaster areas. The popularity of the radical right is indeed a tribute to the power of human credulity, the triumph of hope over experience.

Vernon Bogdanor

The author is a Fellow of Brasenose College, Oxford. His book, *Multi-Party Politics and the Constitution*, will be published by the Cambridge University Press next month.

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DR KOHL TAKES A HAND

It is appropriate that Chancellor Helmut Kohl should have concluded his visit to Washington last week with the announcement that he is to go to Moscow before the end of June. West Germany occupies a critical position in this year of delicate negotiations between east and west. It is one of the principal European allies of the United States - some would say the most important ally - and it is the principal political target of the Soviet Union in the present game of pressure and counter-pressure over intermediate range nuclear missiles. It plans to have both Pershing II and Cruise missiles on its territory unless a Geneva settlement makes this unnecessary. But it also has strong anti-nuclear protest movements, so it is compelled to pursue arms negotiations vigorously. All the manoeuvring over the missiles is to a significant extent a struggle for German opinion.

This requires Chancellor Kohl to play an active role. He is all the better equipped to do so because of the confidence he commands in Washington. He won wholehearted praise when he went there last November for the first time since he became Chancellor, because of his unequivocal support for western defence policy. The Reagan administration invested all its hopes on his reelection last month and was much relieved by the outcome of the German poll. So he is well placed to talk to Mr Andropov without incurring suspicions among his allies that he might be compromising the western position.

The purpose of Chancellor Kohl's visit should not be to negotiate a deal with Mr Andropov, but to make it clear that the west wants one. To stress this is not a sign of weakness but a condition of strength. The Soviet Union cannot be expected to make the necessary compromise unless it believes that there is a genuine will for a settlement on the other side. No less important, the governments of the west will not be able to retain the confidence of their own peoples unless there is faith in their good intentions. It will be easier for the west to bargain firmly if it is evident that it is bargaining seriously.

Dr Kohl was right to emphasise to President Reagan last week that personal contacts between western and Soviet leaders are desirable. They are not the proper forum for detailed negotiations, but if sensibly prepared, without rhetorical excess, they can reduce tension without requiring any concession of substance. In this context the Adelman appointment suggests a lack of sensitivity to opinion at home and abroad - though on balance it was a good thing that the Senate did confirm his appointment last week.

It is by no means clear how much of a positive asset Mr Kenneth Adelman will be as the principal arms control negotiator for the United States. His response to questioning before the Senate Foreign Relations Committee did not indicate that he had either a deep understanding of the highly complex issues involved. So much so that, even though it is under Republican control, the committee recommended against his nomination.

But had the full Senate refused to confirm his appointment it would have had a serious negative effect upon the Geneva negotiations. It would have implied that President Reagan no longer had the support of Congress for his arms control policy. The Senate Finance Committee had already voted to halve the increase in defence expenditure that the President was demanding for the next financial year - another example of Mr Reagan's inability to rely upon a Republican majority. This week the House of Representatives is expected to vote in favour of a nuclear arms freeze, having postponed a decisive vote last week after declining to amend the proposition more to the President's liking.

If, on top of all this, Mr Reagan had been unable despite intensive lobbying to get his nominee approved, it would have seemed that he had lost the necessary domestic backing to pursue an arms control negotiation right through to an effective conclusion. That would have sent precisely the wrong message both to his European allies and to the Soviet Union.

There is another negative reason for welcoming Mr Adelman's confirmation. Despite his impressive title as director of the Arms Control and Disarmament Agency, his unlikely to be the decisive voice on policy or tactics. The President has placed overall responsibility in the hands of the Secretary of State, Mr George Shultz. The Pentagon and the National Security Council will continue to make their contributions. In determining the course to be pursued Mr Adelman's will be just one of a number of voices around the table, and not the most influential.

To implement the policy there are Ambassador Edward Rowley, the chief American negotiator for START (Strategic arms reduction talks) and Ambassador Paul Nitze, the chief negotiator for the intermediate-range nuclear force (INF) discussions. They will continue to conduct the negotiations with their Soviet counterparts. Mr Adelman is not the ignoramus that has sometimes been portrayed, but neither does he possess the specialized experience in this field that would equip him to give detailed instructions to men of their background.

It is more probable that his particular constructive contribution will be to reassure right-wing sentiment in the United States, to which the Reagan administration is peculiarly sensitive and with which Mr Adelman has strong connections, that essential American interests are not being sacrificed in the pursuit of a settlement. That will be important during the course of negotiations: it might be decisive if a settlement is available.

There is no reason to believe, therefore, as many of the President's critics have suggested, that the appointment of Mr Adelman indicates that Mr Reagan is not interested in an arms control agreement. What the episode has shown is a lack of finesse. It is important that this failing should be corrected if the administration is not to lose the confidence of its allies and its own public - in which case it might be pushed into concessions that it ought not to make.

MR PAPUSOIU POPS UP AGAIN

Mr Stancu Papusoiu's reappearance this side of the iron curtain, without money and without a railway ticket but in possession of a valid Romanian passport, relieves the Home Office of at least some of the obloquy it attracted for deporting him. It turns out that he was not destined to be persecuted by the Romanian authorities for his political opinions or for anything else - not for more than three weeks, anyway. On the contrary, they have granted him the very thing he has long been struggling for, permission to leave his country. If his passport is a one-way permit, that is all the same to him since it can be no part of his plans to go back. The Austrians have given him transit status as a refugee. All that remains is to find a place of settlement. Back to Britain?

He has been heard to shout from the window of his place of refuge near Vienna that this is where he wants to go. It might be thought surprising that he should want to come back after the treatment he says he received when he was here before - forced feeding in prison and beating by ten prison officers - and the even more lurid account he was reported as giving by the Romanian press agency a fortnight ago of repeated beatings and tortures. Or it might be thought that his uninterrupted desire to live in Britain throws still more doubt on the truth of those allegations. Anyway it looks as if the Home Office will shortly be reopening the Papusoiu file and

making another decision about him.

According to the United Nations convention of 1951 a refugee is a person who, owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his origin and is unable, or owing to such fear is unwilling, to avail himself of the protection of that country.

United Kingdom immigration rules embody that formulation. Immigration officials and the minister of state at the Home Office concluded that Mr Papusoiu did not answer the description. He had given two very different and inconsistent accounts of the penal treatment he had received in Romania, and the only clear motive for asylum he could supply was that he found conditions of work in his own country intolerable. The Home Office does not count probable punishment for breach of a law that a citizen may not leave his country without permission as by itself constituting persecution. That may seem harsh when considering a regime as obnoxious as the Romanian and in relation to a freedom that an Englishman takes for granted, but it accords with the guidance given by the United Nations High Commission for Refugees. Looking back on all that has come out about the case, one sees that officialdom's fault was less in the substance of the decision taken than in the procedures leading to it.

Mr Papusoiu came into Britain a year ago concealed in a lorry. He was an illegal entrant, though he voluntarily declared himself to the police within a few days of arrival. That fact deprived him of the processes available to other applicants for refugee status or political asylum. In particular he had no right to be heard before an independent adjudicator, and his presence and plea were not until a late stage notified to one of the agencies that could have given him the help he so badly needed in presenting his case at the outset. The late notification also meant that he spent an avoidably long time in detention in a remote centre. The need to remove these impediments to a fair hearing and humane treatment has been urged on governments before. They should be urged again with the renewed emphasis that this case provides.

If Mr Papusoiu applies again for permission to reside here, his application will presumably be on a different basis: that having been more or less put out of his own country he has to find somewhere else to live. It would of course be necessary to confirm, or if that is impossible, to deduce after inquiry that that is indeed the position. If so, he has a claim on our consideration, and he might even be said to have established a relevant connexion with Britain, having been the protagonist in one of our numerous Home Office causes célèbres.

Tunnel tolls

From Mr N. S. Mayfield
Sir, Currently planning the more useful programme before parliament is a Bill seeking to extend the right of the Dartford Tunnel Authority to charge tolls to motorists. Whilst the Dartford Tunnel Bill may seem unremarkable in this major objective, it contains, within the small print, an insidious proposal to withdraw the right to public enquiry before tolls are increased.

The Bill, therefore, brings into focus the entire question of charging tolls on all such major crossing crossings - the Mersey Tunnel, the Severn Bridge, the Tay Bridge - of which there are about eleven throughout the country. A survey published recently by the Freight Transport Association shows that the unpaid capital and interest charges for Britain's toll structures are increasing and now stand at around £43m. Toll charges fall to cover even the interest portion with up to 41 per cent of the toll collected

merely paying for the collection of the toll.

It has been estimated that to repay the current debt within even a 20 year period, tolls would need to increase by a staggering 200 per cent. No doubt a public enquiry would be inconvenient to those wishing to implement such increases.

Would a more sensible policy be to abolish tolls on all existing crossings and to finance their debt as all other roads and bridges are financed?

Let us hope the bill tolls for all such toll bills.

Yours faithfully,
NICHOLAS MAYFIELD,
16 The Laurels,
New Barn,
Kent,
April 11.

Design education

From Professor J. Heywood
Sir, Professor Kenworthy (Letters, April 12) who advocates the use of

projects to encourage an increase among students in design and technology would seem to be a lone wolf among his colleagues. Since 1969 the engineering professors have had the opportunity to encourage sixth formers to take engineering science at "A" level instead of physics. They have not done.

Engineering science has a requirement for a very substantial project. Having seen many of these as well as third year undergraduate projects during this period I can testify that many of the sixth form projects are as good as those presented by third year undergraduates. As it is, with an annual intake to the subject of around 300, the subject is in danger of demise.

Yours faithfully,
J. HEYWOOD, Professor of Teacher Education,
Department of Teacher Education,
University of Dublin,
3133 Arts Building,
Trinity College,
Dublin 2,
April 13.

Implementing the aims of CAB

From the Chairman of the National Association of Citizens' Advice Bureaux

Sir, The letter from Mr J. A. Millson (April 16) confirms views expressed in a long correspondence which I had with him last year. In his final letter to me last October he makes it clear that he would like to see deleted the second aim of the Citizens' Advice Bureau Service: "to exercise a responsible influence on the development of social policies and services, both locally and nationally". He asked when this aim crept in.

The second aim has been explicit in our Association's policy since at least 1941 and Mr Peter Jay in his letter (April 15) sets out very clearly why it is important for voluntary organisations to express their views on policy and administration as it affects their proper aims.

The service as a whole is at present engaged in wide-ranging discussions on its policies, including the second aim and its implementation. Everyone within the service has been given an opportunity to express views on this matter. I hope that Mr Millson availed himself of this opportunity, through the channels provided.

Yours faithfully,
THERESA RICKETTS, Chairman,
National Association of Citizens' Advice Bureaux,
110 Drury Lane, WC2.

From Mr Benedict Burnberg
Sir, You rightly rebuke Dr Gerard Vaughan (leading article, April 12) for his "arbitrary exercise of power" in threatening to withhold part of the Government's annual grant to the National Association of Citizens' Advice Bureaux, ostensibly because the activities of the bureaux have become too political. I for one, who sat through Dr Vaughan's speech last September at the last annual conference of the organisation (at Reading, it happens) find it impossible to reconcile the persons of the speaker, he then bestowed with his present complaints.

As you observe the Citizens' Advice Bureau service "has a long record of proven usefulness to millions of anxious people". In the words of its first aim: "to ensure that individuals do not suffer through ignorance of their rights and responsibilities or of the services available or through an inability to express their needs effectively".

Additionally, however, the service has a second aim: "to exercise a responsible influence on the development of social policies and services both locally and nationally".

Both the association and local CAB organisations, such as our own, are registered charities and so are precluded from overtly political activities, but if the work of the bureaux discloses problems faced by their clientele of a general nature there is a duty on the local management committees in pursuance of the second aim to take such matters up with the relevant bodies.

For instance, having raised such matters as housing repairs with our local authority and the policy of the electricity and gas boards on cut-offs with the fuel boards concerned and we have made representations on the restructuring of the health service and to the DHSS on the review of social assistance.

None of this activity has been done in a partisan way, but it should be stressed that it is an integral and indispensable part of the work of the CAB service and any interference by a central government with this part of its functioning would be quite inappropriate.

Yours faithfully,
BENEDICT BURNBERG,
Chairman,
Lewisham Citizens' Advice Bureau,
120 Rushey Green, SE6.

From Mr Charles Marsden-Smedley
Sir, Suggestions for alternative uses of Battersea Power Station, the "cathedral of power" (feature, April 16) include a "giant discotheque" and a "vast indoor sports arena".

In 1951 another redundant site on the south bank was raised for The Festival of Britain, before a more permanent use could be found.

"Claims that economic recovery is about to begin have been made several times in the last three years" (leader, April 16). What better substantiation than a Festival?

The time is right, and now there is an ideal site. Albeit, before the rockers and jivers or the track-suited sportsmen move in.

Yours faithfully,
CHARLES MARSDEN-SMEDLEY,
41 Tordworth Square, SW3.

Police and liberty

From Mr G. R. Baldwin

Sir, Debate on the Police and Criminal Evidence Bill has for too long concentrated on police access to confidential files - an issue on which it has been clear for some time that the government would give way in an attempt to defuse critics. The severity of the Bill is clear in looking at the more important power to search the premises, not of doctors, lawyers etc, but of the vast majority of ordinary citizens who are unsuspected of any offence whatsoever.

Many people thought that the Royal Commission on Criminal Procedure had gone too far in its recommendations for a compulsory power to search for evidence under warrant; but consider how much more draconian the Bill is. The Commission warned that the power was only to be available "as a last resort". So serious an intrusion was involved that the Commission said: "warrants should be issued only in relation to 'grave' offences such as murder and rape; they should only be used after an order for production

Assessing results of Third World Aid

From the Director General of Oxfam

Sir, It is perhaps not surprising that we in Oxfam disagree with much of what Peter Bauer and Basil Yamey wrote in their article on aid (April 11). We do, however, agree with some of their points, although we arrive at different conclusions.

It is true that all too often large-scale official aid, as opposed to the work of voluntary agencies aid, supports inefficient or corrupt governments and that it is frequently spent on extravagant prestige projects which have little relevance to the poor. Surely the conclusion which must be reached, however, is that there should be a fundamental rethinking of official aid policy, not that aid should be abandoned.

For this reason Oxfam has argued, through our contributions to the Brandt Commission and the work we have done with the Independent Group on British Aid, for the introduction of new priorities in the use of official aid. The contributions we make in this debate are, in contrast to those of Bauer and Yamey, positive. We support official aid but feel it could be used more effectively. It is clearly premature to suggest discarding it. After all, it has only been during the last couple of decades that there has been official aid at all. The right conclusion is that we must learn to do better.

Finally, your authors attack the notion that aid can help to promote peace. Are they unaware that in almost every "trouble spot" in the world today poverty is festering unchecked? Repression, reprisals, violence thrive on the wounds of poverty in the Lebanon, Afghanistan, El Salvador and elsewhere. To ignore the challenge of redirecting aid to help tackle these acute problems is shortsighted. To call for the abolition of official aid is blindness.

Yours faithfully,
BRIAN W. WALKER, Director General,
Oxfam,
274 Banbury Road,
Oxford,
April 13.

From Melvyn Westlake

Sir, Bauer and Yamey claim ("why we should close our purse to the Third World", April 11) that, "without foreign aid there is no Third World" and "as long as the policy of aid continues, there will be the so-called North-South confrontation". This is the silliest part of their entire thesis. Anyone familiar

with North-South relations since the early 1960s will be aware that the aid question is just one element - and by no means the most important - in this relationship.

In the early days of the non-aligned movement, the binding cement was the shared experience of colonialism (the Latin Americans were noticeably less prominent initially in this movement than others in the Third World). It was accompanied by a belief that the world economic system, in which developing countries had had no hand in shaping, was fundamentally biased against them.

This gave rise to the demand for a "new international economic order" and a host of questions about the activities of multinational companies: neo-colonialism; technology transfer; declining terms of trade (falling commodity prices relative to the cost of the Third World's manufactured imports); trade protectionism, and much else. The idea that aid is the pivotal issue says more about the particular obsessions of Bauer and Yamey than about the real character of the North-South dialogue.

The extent to which aid benefits the very poorest is another matter. This depends, amongst other things, on the distributive policies of governments and their attitudes to questions like land reform. The fact is that western governments are uncomfortable with radical Third World governments with strong distributive policies.

Such governments risk having their aid withdrawn. Take for example Grenada today. The efforts of Prime Minister Maurice Bishop to transform the rundown economy inherited in 1979 have been endorsed as economically sound by the World Bank. Yet, for purely ideological reasons, the Thatcher government is not prepared to give its support. Bauer and Yamey claim that aid wins the west no friends. The truth is that aid is often used to keep the west's friends in power.

One of the most successful aid programmes ever was for South Korea, which has received a total of over \$15 billion (between 1946 and 1976). How can it possibly be said that this was not a critical factor in making South Korea the economically successful country it is today? Yours faithfully,
MELVYN WESTLAKE,
2 Downer Road North,
Thundersley,
Essex,
April 12.

Fears on Ghana trial

From Lord Gardiner and others

Sir, We share the concern expressed in Mr Humphrey's letter (March 23) at the non-judicial nature of the public tribunal in Ghana and the absence of the minimum legal safeguards for a fair trial of the 26 Ghanaians now accused before it of participation in the attempted coup of November 23.

The transfer of such a trial away from the ordinary courts of law, should be viewed in the context of the murder of three judges last year and the subsequent flight from the country of several more, and the Ghana Bar's refusal to recognise the tribunal by prohibiting its members from appearing before it.

We are also concerned at two legislative developments concerning the powers of (a) the tribunal and (b) the ruling Council itself which are not yet fully appreciated in Ghana or in this country: the tribunal has the power to impose the death penalty of its own accord, where it "is satisfied that very grave circumstances meriting such a penalty have been revealed"; a power to punish as

arbitrary as the punishment is cruel and degrading.

The minimum sentence which the tribunal may impose is three years' imprisonment in the unlikely alternative of a fine, which is in stark contrast to the wide range of custodial and non-custodial orders at the disposal of the regular courts.

More fundamental still is the ruling Council's arrogation to itself, in its original proclamation, of the right to exercise all powers of government. These "powers of government" are re-defined retroactively by the recent public Tribunal Law to include legislative, executive, administrative and also judicial powers. These are developments unprecedented in Ghana whose prompt reversal is strongly to be desired, particularly by those now facing the impending severity of the tribunal.

Yours faithfully,
GARDINER,
AVEBURY,
JON HUNT,
PHILIP WHITEHEAD,
PETER CARTER,
5 Kings Bench Walk,
Temple, EC4.

Post-coital pill

From Dr S. J. G. Spencer

Sir, I find it difficult, in an issue of this kind, to think analogously from plant to man (pace Professor Glanville Williams, April 13); but I could easily believe that such oak afforestation becomes imperative, each acre would become valuable enough to be styled a "budding oak-tree".

This is no debating point. For me and my colleagues "ensoulment" seems to be some weird anatomical incorporation, but the recognition by God, as attested in scripture and tradition, of each man's infinite worth until his ultimate destiny within the bosom of the God who created him, provided he carry-out faithfully the stewardship entrusted to him - for his own and his neighbour's good estate.

The potential for not only in-vitro fertilization but also in-vitro gestation shows up the artefact element in implantation. Whether the zygote

ultimately become one or more than one, it is on fertilization that the genetic coding for all he will become is laid down: from then and only then he can develop without further intrinsic alteration other than growth, differentiation and maturation.

It is indeed a remarkable mystery how twinning and cloning make several individuals from one: the mystery is how at a certain still unknown point in cell multiplication, around the fourth mitosis, the zygote seems to say "now by taking a cell from me, far from reproducing me, you only *main* me". Until science enlightens us, we are not wiser to leave in God's hands this mystery than speculate, with ironic casuistry, about numbers of souls?

Yours faithfully,
S. J. G. SPENCER, Master,
Guild of Catholic Doctors,
66 Old Road,
Headington,
Oxford.

Opportunity lost in BL strike

From Mr P. R. R. Coad

Sir, It is usually difficult for an outsider to comment on a strike as he or she is unaware of the facts. However, reading Clifford Webb's piece today (report, April 11), there would seem to be little doubt that BL's Cowley management are gravely at fault.

The "three minute washing time" was allowed by management some years ago and has been condoned ever since, despite the 1980 agreement on working practices and procedures. The management now want to disallow this time off but are apparently unwilling to offer compensation.

If the present management had made a reasonably generous offer, eg a handsome, as opposed to a niggardly, once for all payment they would almost certainly have avoided this appalling costly strike, costly in terms of cash and possibly even more in terms of goodwill.

They would, too, have improved their relations with the workforce thereby helping to obtain the increased productivity that BL needs to compete in the market.

Yours faithfully,
P. R. R. COAD,
Riverside Club,
Pall Mall, SW1,
April 11.

From Mr B. St John Ball

Sir, Should the British Leyland management eventually abolish the three minute washing up time at Cowley, it will now be five years before the time lost in this latest strike is worked off.

Yours faithfully,
B. ST JOHN BALL,
Oriol Ball,
Oxford,
April 14.

Message of 'Gandhi'

From Mr P. H. Walton

Sir, I have no desire to detract from the richly deserved success of *Gandhi* at the Oscar awards ceremony, but I must take issue with Sir Richard Attenborough's comments about the Mahatma showing young people. Mrs Thatcher, Mr Reagan and Mr Andropov that "there is another attitude beside confrontation politics". Perhaps Sir Richard chose that moment to make his contribution to the disarmament debate.

The current world situation is so different from that of India in the run up to independence. If they ever hear him, Sir Richard's words will be greeted with derision by the Afghans who, like Gandhi, are working towards the expulsion of a foreign power. The problem there is that the Russians, unlike the British in India, not only have no desire to leave, but also have the means to maintain their presence; hence the confrontation. If Afghanistan had had nuclear weapons, the Russians might never have invaded.

The British knew, even before Gandhi's rise, that their position in India was untenable. Whilst initially they may have tried to maintain the status quo, little effort was made to strengthen British rule after the 1914-18 war. They lacked the will to remain, and it was only in such a political climate that Gandhi's peaceful agitation could be successful.

Gandhi is not a film about peace. The Mahatma was a man of love, vision, resolution and principle, and the film kindles these virtues within us, such as they are. That is the real message of *Gandhi*.

Yours faithfully,
PETER WOLTON,
49 Nevins Square, SW5.

Family affairs

From Mr Graham Greene, CH

Sir, I am sorry to see *The Times* Diary degenerating into a gossip column. What possible interest is there for your readers in a disagreement between three brothers called Greene nearly 25 years ago, even if your Diary had got his facts right?

But really he is as inaccurate as our mutual acquaintance, Mr Badshot. I never knew that my brother Herbert gave *The Daily Mail* any childish letters of mine (I hope he got a good price for them), nor did I know that I disliked kissing my aunts. One thing is certain: that I never employed a lawyer to crush these damaging revelations.

Yours truly,
GRAHAM GREENE,
As from 0600 Antibes,
France,
April 12.

Desirable residence

From George Cook

Sir, If our man is to be dislodged from the small, but elegant house in Nassim Road by the Treasury (report April 6) where do we propose to put him: in a high-rise flat in Toa Payoh or Queenstown?

The Russians, Japanese and Canadians know better. They are in Nassim Road, and Singapore, where prestige is important, in the heart of south-east Asia.

Yours etc,
GEORGE COOK,
9 Strait Lane,
Harrow-on-Tees,
co Durham.

Muffled voices

From Mr Roy Aylieff

Sir, The union prediction you report (April 13) of the loss of 17,000 telephone boxes sounds pretty daunting until one reflects that only about 170 will be in working order.

Yours faithfully,
ROY AYLIEFF,
Medlar Place,
Sandsbury Lane,
Steep,
Petersfield, Hampshire.

THE ARTS

Poulenc himself predicted that Regine Crespin would one day play the First Prioress in his *Les Carmelites*, and tonight she makes her long-awaited return to Covent Garden in the part. Interview by John Higgins

An operatic dream that came true



It is almost twenty years since Regine Crespin last appeared in opera at Covent Garden. Tonight she returns as Mme de Croissy, the First Prioress, in Poulenc's *Les Carmelites* (sung in English), which has also been out of the Royal Opera House repertoire for twenty years. *Les Carmelites*, based on the play by Georges Bernanos about the order of nuns who were first disbanded and then sent to the guillotine by the forces of the French Revolution, was commissioned by Ricordi and became one of the great successes of the late Fifties. It was heard first at La Scala, produced by Margherita Wallmann, who is responsible for tonight's revival, then at the Paris Opera and later in London. Inevitably it fell out of fashion until John Dexter decided to stage it at the Met in New York in 1977.

The pessimists were out in force before that first night, or rather first afternoon, because the opening was at a Saturday matinee: the opera was too intimate for the Met. Poulenc was out of favour, the subject too gloomy. But *Les Carmelites* - Dexter insisted on performing the opera in English and turning its three acts into two - was an enormous success. Dexter's staging became famous and it can be seen at the Opéra Comique in Paris next month, adapted to that rather smaller theatre.

It was for Dexter that Regine Crespin took on Mme de Croissy for the first time, but her association

with *Les Carmelites* goes back to the original Paris production where Poulenc himself chose her for the role of Mme Lidoine, the baker's daughter who takes over the leadership of the order as a sop to the revolutionaries. The *app* leads but to the scaffold.

The story is told in Mme Crespin's autobiography *La Vie et l'œuvre d'un homme* (Arthème Fayard, Fr 75), a highly diverting and lively text which demonstrates clearly why she is just as good at singing Offenbach as Poulenc. Poulenc was looking for a soprano with a perfect pianissimo and Michel Glotz, the agent and impresario, recommended her to hear a young singer called Regine Crespin. He did, was impressed and immediately invited her to come to the Met.

There will be no eradicating the occasion from Crespin's memory. "Poulenc asked me whether I had seen *Les Carmelites* on stage. I said 'yes' - Jeanne Moreau was in it - and thought it was wonderful. But why did he ask me to it? It was one of those silly remarks, but later Poulenc played a little of the music he had composed for the Second Prioress and asked me to play the part."

"I soon discovered there were two Poulencs. One was brilliant, exuberant, delighting in jokes, especially dirty ones. When we got to know one another he would rush up and say 'Eh! Crespinette! Heard any new ones?'"

The other Poulenc was introspective and obsessed with religious crisis. In the theatre he was always in a good mood - or so it seemed - but at home he was often sad and worried.

"During that Paris *Carmelites* I often used to watch the death of the First Prioress from the wings. [This closes the first act and the scene in which Mme de Croissy faces death, petrified, is reckoned by some to be the true climax of the opera.] And as I watched it I used to think 'What a part'. One evening Poulenc [the French adore diminutives] came up to me and said 'In fifteen years you will be singing that part. I dismissed the idea at the time, believing that it would never be right for my voice. But it happened, even if it did take a bit longer than fifteen years.'

The roles in which Crespin established her reputation internationally were above all German: Elsa, Siegmund, Elisabeth and, almost certainly the most notable, the Marchallin in *Rosenkavalier*. This has not been the path trodden by many French singers in the last half-century, so why did she choose it?

"What you sing is determined by the type of voice you are born with. I might have wanted to appear as *La sonnambula* more than any other part, but there was no possibility that I could ever sing it. When I started my career there was very little French opera exported, so I had to move into the repertoire of

other countries. So I went to Salzburg, to Vienna and of course to Bayreuth and when I had a victory abroad I felt it was a double victory. But fortunately languages have never been a great problem: my grandfather was Italian and my husband was an expert on German literature.

"Yes, I suppose that the Marchallin has always been a favourite role, a kind of talisman, so much so that I used to like to make my house debut in it. Glyndebourne helped a great deal and it was there I sang it for the first time in German. Jani Strasser had come over to France to hear me, he wasn't too worried about the language, but he did ask if I could squeeze myself on to Glyndebourne's tiny stage. I did and found that the combination of Jani and Carl Ebert could hardly be bettered if you want to learn about *Rosenkavalier*."

It was America, though, which persuaded her to tackle two French composers she had neglected, Bizet and Offenbach. It was not until her late forties that Regine Crespin sang Carmen on stage. "I had always believed that I was the wrong shape for it." The flesh gets a pat. "But Alain Lombard persuaded me to give a concert performance in Miami and the spies from the Met were there and they persuaded me to sing it in the theatre. Offenbach influence came from Carnegie Hall: I was asked to devote the second



"All a question of stamina": Regine Crespin today and (left) as the Second Prioress

half of a recital to Offenbach and it worked."

So those catching Crespin on stage nowadays are likely to find her singing either the First Prioress - she repeats the role at the Opéra Comique - or the Grand-Duchess of Gerolstein, a combination which would doubtless have delighted both Poulenc and Offenbach. And those

appearances are carefully rationed out. "I've been singing professionally for 32 years. Once I needed a break of one day between performances... then it was two... and now it's three. It's all a question of stamina. Zinka Milanov once said to me that it was the muscles you had to protect rather than the voice. And she was right."

Theatre

Virtuoso triumph

Edmund Kean
Lyric, Hammersmith

If Oscar fever draws the crowds to Hammersmith, and to the West End theatre where this show must surely transfer, to see the Ben Kingsley of *Gandhi* play the tragic actor who astounded Regency London, then awards have their uses. They will discover, or rediscover (and Mr Kingsley has been away for too long), how superbly he commands a theatre, how he mesmerizes an audience and what versatility in vocal colour, mood and physical virtuosity he can give to a worthy role.

"Tragic actor" is right twice over for Kean. After following the precept in Shaw's *Man and Superman* that the true artist lets his wife starve and children go barefoot sooner than abandon his art, Kean cries: "If I succeed now, it will drive me mad."

Starting with the obsession that he is the Duke of Norfolk's son robbed of his inheritance, he scorns the allegation that he was sired by a drunken Irishman and then instantly swigs from the first of a succession of bottles. Decline into drink and paranoia accelerates until success brings the taunting dictate that no actors must approach within 10 feet on stage unless he beckons them, and the hint that starving actors might be employed to safeguard his own salary level.

Raymond Fitts' script is beautifully written and sensitively staged by Alison Sutcliffe. In the dressing room Martin Tilley has evocatively designed - footlights, drapes, a chival-glass and a ship of costumes - Kean constantly switches into Shakespeare speeches chosen with a keen sense of irony. Finally engaged by a Drury Lane management fearing bankruptcy, he plays Shylock: "It now appears you need my help... You spat at me on Wednesday last..." Deepening misanthropy draws on Coriolanus and Timon, and

Kingsley's messianic "Othello's occupation's gone" speech is repeated with the subtlest interpretative changes as rival actors, then changes in his private life, threaten him with declining audiences.

Sporting a little moustache and a mop of dark curls that give him an uncanny likeness to the famous portrait of Kean as Sir Giles Overreach, Mr Kingsley shines simultaneously in one tragic role and many; the self-destructive paranoid playing his last Othello too weak or drunk to pick his breeches off the floor, and the multiple Shakespeare heroes for which I hope our national companies will take this as a bravura audition. Quite simply, it is a triumph for him. And it is a delight for us.

Anthony Masters

Television

The perils of 'personality'

Terry Wogan is an ubiquitous television and radio performer whose amiability, not infrequently enlivened by wit - for he has a quality not common to "personality" - is required to be spread over a massive workload. The frequency of his appearances suggests a willingness to meet this challenge but there are signs that ambition is putting a considerable strain on performance.

Concluding his chat series *Wogan* on BBC1 on Saturday with fairly low-key exchanges with Rowan Atkinson, Johnny Mathis and Omar Sharif, he assured us that he would be back next week introducing the Eurovision Song Contest for which, if it is to be lifted out of tedium, he will surely need to be as on-top-form.

But there is no rest for the Wogan and last night on BBC1 there he was again. *Wogan* on the *Orient Express*. This must be the backlist train in the business. First it was walked over by Alan Whicker and now there was Wogan; subsequent advertising must surely be conducive to inventiveness. There was evidence of this in

Mr Whicker's odyssey and Mr Wogan's confirmed it. They were looking out for him when he arrived - "Ah, that's Mr Wogan" - and the train manager showed such readiness to match verbiages that Mr Wogan for once appeared startled. "I had better not keep you any longer," he said to him. It was Wogan's show after all.

The bonhomie could not avert the boredom. Several times he seemed lost for words, tending to repeat himself with numerous references to the bounding main, Isadora Duncan, the drink and the food, but giving very little information.

It just did not flow this time. "Here we are on the Orient Express" - "Here we are on the platform at Folkestone" - "En avant mes braves" - "On we go again". The only time I felt he had absolute confidence in his utterances was when he said "I sit here before you slightly the worse for drink". I felt like one myself about then.

The Late Clive James on Channel 4, as its title implies, appears at a time when we have bed as an obvious option. On the strength of the first show, many will avail themselves of it. There is an inexorability

about Mr James's efforts to be funny that somehow deadens the reactions. All the jokes have lesser jokes upon their heels to trip them, and this combines with an absence of that timing essential to the stand-up comedian. If Mr James, is to succeed, I suggest he dig out some films of Jack Benny.

The fate of his guests on Saturday night is a deterrent to others. Debbie Moore, of Pineapple Studios, and Dr Miriam Stoppard appeared fairly late but were not given much of a chance by the James steamroller. Only Alan Coren, editor of *Punch*, who has timing and can be funny, ran the whole course, which included a laboured parody of Le Carré and comments on pictures and film clips which could have been better and more briefly done in *Private Eye* balloons.

Mr Coren was glimpsed several times looking rather tired but woke up in the later part to assert his presence by well-timed interruption to good effect, finally rising to tear a telephone directory in half. Too bad he could not have been given the script.

Dennis Hackett

Dance

Multiple images of character

Chopin ballets
Royal, Glasgow

Although Chopin's name springs readily to mind as a composer apt for ballet, that is largely on the strength of *Les Sylphides*, and when the Scottish Ballet decided to give a Chopin programme with their stylishly produced (although somewhat understated) *Sylphides* as its starting point, they found it necessary to have the other two ballets specially made. These turned out, presumably by chance, to have something more than their composer in common: both play with multiple images of the character, one dancer supplanting another in a role.

A young choreographer, Peter Royston, uses that idea straightforwardly enough in *Quarrels* not their own to show the same couple at different stages of their lives - or deaths, since the point of the work is that the husband is killed in the war and thereafter the woman has to live only with memories. Piano pieces, mainly Preludes and Etudes, provide a sufficiently dramatic base for this action, and Kenny McLellan's designs admirably use different areas of the stage for the same room at different periods, indicated by furnishings and by the monarch's portrait above the mantelpiece, with an upper platform for the non-domestic scenes.

The story takes a while to become clear, because the first change of period could initially be read as a change also of generations, and only at the very end do we learn that the whole action was the old lady's dying recollections. All the same, the subject and treatment are serious enough to make an impact. The choreography, after a promising scene of tumultuous young lovers chasing each other over a sofa, is not on a level with the drama, and when composing, ducts Royston shows a tendency to tie himself (and his dancers) in knots.

The cast, especially David Bombans with Eleanor Moore as the middle couple and Linda Parker as the young woman, make the most of their theatrical



Elaine McDonald in *Gardens of the night*

cal roles; I also saw an alternative cast which looked less cohesive (that could be remedied) but contained notable performances by Christine Camillo as the young woman and Geoffrey West as the husband's comforting ghost.

John Stafford is the admirable pianist for this work; he also has a prominent part in Branwell Tovey's discreet orchestration of *Les Sylphides*, and gives a spirited, very able account of the Second Piano Concerto for Peter Darrell's *Gardens of the night*.

Darrell uses a different protagonist for each movement: female; male and female again, but all wearing identical white suits and introduced with the same pose. The first woman has a male friend to love and quarrel with; the man in the

second movement is attracted both to a woman and another man; in the last movement, a concourse of spectators applaud the solo woman's virtuoso feats.

It is tempting to take the first couple for George Sand and Chopin, but Darrell's programme note mentions Virginia Woolf's *Orlando* and her friendship with Vita Sackville-West as other sources of inspiration. Best, perhaps, to see the interchangeable soloists as an artist of any sort shown in relation to life and love. The choreography explores both the surface glitter and the deeper anxiety of the music to provide roles which, in two different casts, give much scope to all the company's principals and two promising young men, Paulo Lopez and Frankie An.

John Percival

Concerts

Susanna
St George's, Hanover Square

The sixth London Handel Festival began on Saturday with *Susanna*, a long oratorio performed in what must be its longest version, the original of 1749. Civil strife and oppression give way after the opening chorus to domestic issues, with the faithfulness of Joachim's wife Susanna put to the test while he is away on business.

Plenty of scope there, it would seem, for Handel's musical realization of inner conflict and emotional vicissitude. But Susanna is the sort of nice girl who is incapable of amusing herself in her husband's absence, and is tempted not one whit when the two lusty Elders appear. So, try as he may, the dramatic crux is a non-event, virtue triumphs untested, and the final trial scene is one of the dullest in history.

The librettist is understandably anonymous; and even Handel's music frequently sags under the heavy-handed moralizing and execrable verse. Gillian Fisher's fresh, clearly articulated Susanna lacked the strength and breadth of expression to convey very much of the spirit within the unchanging innocent virtue. And, while the London Handel Orchestra and Chorus played and sang idiomatically enough, more spirited and varied pacing from Denis Darrow would have helped sharpen the focus.

I have to confess to taking a moment off to read through the euphonious list of St George's churchwardens. Among them was the Earl of Shaftesbury, whose son remarked of Handel at that time that "the old Buck is excessively healthy and full of spirits". And give him just one suggestive image and he was away: Charles Brett as Joachim made a splendid job of "On the rapid whirlwind's wing" and "Cold within the furnace try".

The baddies, of course, got some of the best music. Adrian Thompson as the malcontent First Elder sang with ardour and stylish bravado, while Peter Seavidge's more sinister Second Elder coiled passion darkly even in every note of his recitative.

Hilary Finch

Liszt CO/Rolla
Barbican

For a moment the flute concerto by Carl Stamitz that Jean-Pierre Rampal was listed to play first on Saturday night, in the concert by the visiting Franz Liszt Chamber Orchestra, sounded oddly like Bach. It then transpired that it was indeed Bach. M Rampal having decided to reverse the order of two works without any announcement until after Bach's Suite No 2, by which time he admitted winningly to the audience it was "a little late".

By that time, too, he had given a polished account of the Suite in a modest, restrained style, notable for the deeply pointed, almost dainty rhythm of the Rondeau and the bland formality of the Sarabande. Even the final Badinerie avoided anything like excessive speed in favour of clarity of figuration. The Hungarian orchestra tailored themselves to the flautist's leadership as if it were a concerto.

When the Stamitz concerto followed, after only a short pause, it was a change of musical dimension to something in which grace of phrase counted for at least as much, and probably more, than the musical substance. The long-breathed phrases of the opening movement, the lyrical flute against pizzicato strings in the Andante, and a rondo finale which, like Mozart of the same period, breaks suddenly into an unexpected minuet, made agreeable listening.

By way of encore, the flautist added an unaccompanied Bach sarabande, and the orchestra and their violinist-director, János Rolla, came more into their own with a second half devoted to *The Seasons* of Vivaldi.

On this occasion, the playing was distinguished by the control of dynamic shading in the ensemble, as well as by the solo violin, the withdrawn rhapsodic character of certain slow movements, the ferocity of the threatened storm in the opening movement of "Summer", and the transformation of the hunting finale of "Autumn" into a foot-stamping country dance. A pity the programme failed to detail the descriptive content of the episodes.

Noël Goodwin

LPO/Lopez-Cobos
Festival Hall

Dietrich Fischer-Dieskau was to have sung four concert arias by Mozart with the London Philharmonic on Friday; his affliction with influenza gave us the welcome, because all too rare, opportunity to hear John Shirley-Quirk in the orchestral repertoire.

Apart from the change in programme and the even rarer appearances of Fischer-Dieskau, nobody can have been disappointed. The first surprise, and a delightful one too, was Ravel's little trptych, *Don Quichotte à Dulcinée*, given an affectionate performance of bold colours and intimate human proportions. Lustrous and in densely focused harmony with the wind chords, Mr Shirley-Quirk's voice found a new luminous beauty for the final Amen of the prayer to St Michael.

After the interval came Mahler's Ruckert Lieder. Again it was the justness of scale in Mr Shirley-Quirk's performance that made it so memorable: the shaping of the first long arc of breath in "Ich atmet' einen linden Duft", the warming of the voice into the orchestral harmonies of "Liebst du um Schönheit" and the expressive richness of the vowels blending into the strings' long expiration in "Ich bin der Welt", with its fine oboe and cor anglais solos.

Flanking the Ravel and the Mahler were two Schubert symphonies. Neither was a performance which bristled with new insights; both, though, drew particularly fine ensemble playing from the orchestra. The "tragic" element in the Fourth was kept just where it should be: as elusive and suggestive as the oboe's nicely recessed pointing of the Andante, and as a restful but never disruptive force in the exuberant invention of the finale.

In the "Unfinished", the very care, with which cellos and basses shaped their melodies and the tautness of response within Jesus Lopez-Cobos's long-drawn spans of developing tension kept the focus sharp in a performance less remarkable in structural and dramatic strength.

Hilary Finch

Opera

Die Fledermaus
Coliseum

Arthur English, the new comic jester in the last act, can be all too well believed when he plays confused about whether he is appearing in *Die Fledermaus* or *Aladdin*. This is the English National Opera in pantomime mood; and, though such might not be the only possible spirit in which to play operetta, it makes for a jolly show. I would guess, too, that it boosts the company to be working together so cheerfully and smoothly as they are here.

Certainly, while they can give performances like this, the need for a specialist operetta company in London recedes more than somewhat. Perhaps a case

could be made in some ideal world for a theatre producing operetta in lavishness and luxury, but, until pigs can be persuaded to fly, the Coliseum's brand of homey entertainment is all anyone could require, and it is as true to the genre. Plainly it more than satisfied Thursday's audience.

Apart from Mr English, who did his familiar act as the ancient drunken private soldier with a nice edge of nervousness, the cast is unchanged from the last revival of this much revived production. Why change a winning team? The outstanding singing comes as it must from Marilyn Hill Smith as Adele, who won my sympathy too for taking her job seriously and not acting up or jarking about. This is not to say

that she was po-faced: she simply acts the comedy with dignity, just as she sees no reason ever to depart from singing that is pure, buoyant and effortlessly articulate.

Among the rest, Fiona Kimm also sings with all the considerable artistry she commands, and makes a splendidly upish, mannish caricature of Orlofsky. Alan Opie is gentle and reliable as Falke, and Geoffrey Pogson and Lois McDonnell are large enough as the Eisensteins for one not to bother too much about quality of singing. Quality in the orchestra, though, does matter, and it augured ill that the overture was so scrappy and lumpy, though later there was much panache under the twirling Viennese baton of Herbert Prikopa. Paul Griffiths

Los Angeles
visit off

The proposed series of Brahms concerts at the Royal Festival Hall in May and June by the Los Angeles Philharmonic Orchestra and Carlo Maria Giulini has been cancelled because of the conductor's illness. He was due to direct the orchestra on a tour of Europe, but as a result of a respiratory

complaint has been advised not to conduct again until the autumn: he is expected to open the Philharmonic's season on September 18.

The series of concerts had already been in jeopardy once before. However, objections by the Visiting Orchestras Consultative Association, which limits foreign orchestras to two concerts at any one of the prime London venues, were overruled.

A replacement for the first concert, on May 31, has not yet

been decided, but the three other dates include an "all-day Brahms marathon". André Previn, who will be involved with the "marathon", will conduct the London Symphony Orchestra on June 3, when Vladimir Ashkenazy will play Brahms's two piano concertos. On June 1, Ashkenazy will conduct the BBC Symphony Orchestra in the Brahms Violin and Double Concertos, with Gidon Kremer (violin) and Misha Misky (cello) as soloists.

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Company	1983	1984	1985
Sunderland Wtr	53	109	116
	44	500	115

• Ex dividend. • Ex all. • Forecast dividend. • Corrected price. • Interim payment passed. • Price at suspension. Dividend and yield exclude a special payment. • Not for comparison. • Figures a Forecast earnings. • Price at suspension. • Ex rights. • Ex scrips or share split. • Tax free. • Price adjusted for late dealings. • Not significant data.

Unknown factors in Woolworth figures

and plunge the group into losses below the line even before taking account of rationalization costs.

Further signs of recovery

and plunge the group into losses below the line even before taking account of rationalization costs.

مرکز امن الاصل

Investment and Finance

City Editor
Anthony Hilton

THE TIMES

City Office
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London WC1X 8EZ
Telephone 01-637 1234

STOCK EXCHANGES

FT Index: 695.5
 FT 100: 82.9
 FT All Share: 439.52
 BSE: 27,085
 Tokyo Nikkei Dow Jones
 Average: 8,552
 Hong Kong: Hang Seng Index,
 1,067.14
 New York: Dow Jones Average,
 1,171.25
 (Friday's close)

CURRENCIES

LONDON
 Sterling \$1,5480
 Index 82.9
 DM 3.775
 FF 11.3150
 Yen 357.00
 DOLLAR
 Index 122.5
 DM 2.4385
 Gold \$435.50

NEW YORK
 Gold \$437.50
 Sterling \$1,5470
 (Friday's close)

INTEREST RATES

Domestic rates:
 Base rate 10
 3 month interbank 10½-10¾
 Euro-currency rates:
 3 month dollar 10½-10¾
 3 month DM 5½-4½
 3 month FF 11½-11¾
 ECGD Fixed Rate Sterling
 Export Finance Scheme IV
 Average reference rate for
 interest period March 2 to April
 6, 1983 inclusive: 10.974 per
 cent.

BOARD MEETINGS

TODAY - Interim: British Empire
 Securities and General Trust,
 Strong and Fisher (Holdings),
 Fines: Blockleys, C D Bramhall,
 Curry, Edinburgh Investment,
 Erway (unannounced), Feb inter-
 national, Honda Motor, Walter
 Lawrence, Japan Assets Trust,
 Thariss, Twintock.
 TOMORROW - Interim: Highland
 Electronics, Poly Pack, Stewart
 Main, Fines: Abernethy Cement,
 Alva Investment Trust, Argyle
 Trust, Bank of Scotland, John
 Crowther Group, Cussins Property,
 First Charlotte Assets, Hambro Life
 Assurance, Harrison Cowley,
 Savoy Hotel, Tale of Leeds, Toyne
 and Co, Webster Group.
 WEDNESDAY - Interim: Dubliner,
 Wade Poteries, Fines: Barrow
 Hephburn, Blidde Holdings, British
 Syphon Industries, Britton Estates,
 Chesterfield Properties, Danish
 Bacon, Fines: Finsen, Hawken,
 Sidesley, RMC Group, Securities
 Trust of Scotland, W H Smith and
 Son, Steel Brothers, Sun Life
 Assurance, United Parosia, Wed-
 kin.
 THURSDAY - Interim: S Casket
 Holdings, Free State Gold Mines,
 President Brand Gold Mining
 Company, President Steyn Gold
 Mining Company, Welkom Gold
 Mining Company, Western Hold-
 ings, Fines: Aquascutum Group,
 Bardsey (unannounced), Fines:
 Carron, Horace Cory, Dunlop,
 East Rand Gold and Uranium,
 Fleming Universal, Garfunkels
 Restaurants, General Scottish
 Trust, Grampian TV, Highcroft
 Investment, Laport Industries, F.
 C. Liley, P. A. W. MacLellan,
 McKelvie Brothers, M Y Dart,
 Owen Owen, Harold Perry Motors,
 Scottish Mortgage and Trust, R.
 Smallshaw (Knitwear), and Wool-
 worth.
 FRIDAY - Interim: None an-
 nounced, Fines: Alibon and
 Sons, Gaskill Broadloom, Helene
 of London, and Scottish Northern
 Investment.

Cope opposes
Dowable bid

The board of Cope Allman
 international has asked its
 shareholders to reject the
 takeover terms offered by the
 Dowable consortium.
 The board confirmed that
 pretax profits in the second half
 of last year would be a
 minimum of £2.6m, which
 means full-year profits of £1.7m
 against £1.95m the year before.
 Shareholders were also told
 that the Cope board has met
 directors of Hollis Bros & ESA
 which has acquired a 7 per cent
 stake in Cope, but the intentions
 of the Hollis board are not
 yet known.
 ● \$54m LOAN: Lazard
 Brothers, the merchant bank,
 has arranged a \$54.5m loan
 supported by the Export Credits
 Guarantee Department to
 finance an order for Rolls-
 Royce RB211-535 turbo-engines
 and spares placed by Eastern
 Air Lines in the United States.
 ● RISKY EXPORTS: The
 London Chamber of Commerce is
 organizing a seminar to exam-
 ine the problems which com-
 panies face when trading with
 Libya, Iraq and Iran. Although
 British trade with these markets
 totalled £750m last year, the
 chamber says that businessmen
 are becoming increasingly wary
 of exporting to them because of
 the non-payment risks.
 ● SAVINGS RISE: Net re-
 ceipts at the National Savings
 amounted to £138.6m during
 March making a total for the
 financial year of £2,960m. The
 largest contribution came from
 fixed interest National Savings
 Certificates.

Italy in
move to
close tax
havens

From John Earle

Rome
 The days of offshore tax
 havens for Italian banks are
 ending. Under pressure from
 the Bank of Italy, they are being
 forced to close their operations
 in centres like the Dutch
 Antilles, Cayman Islands and
 the Bahamas.
 The collapse of the late
 Signor Roberto Calvi's Banco
 Ambrosiano last summer has
 influenced this policy. But it is
 stressed in the Bank of Italy, the
 process of getting Italian banks
 to tidy up their operations in
 low-tax centres started in
 January 1981, following a
 decision by the cabinet's mini-
 stral committee on credit.
 Banks were then informed that
 they would not longer be
 allowed to have holding com-
 panies in tax-free or low-tax
 havens. They could, as many
 already did, have banking
 subsidiaries, operating in con-
 formity with the laws of the
 host country, but the parent
 bank in Italy must be prepared
 to give full information about
 their activities to the Italian
 authorities.

The main targets of this
 move were the holding com-
 panies maintained by many
 leading banks in Luxembourg,
 often nerve centres for inter-
 national operations by subsidi-
 aries in less solid offshore
 centres completely outside the
 control or knowledge of the
 Italian authorities. Signor
 Calvi's BAH (Banco Ambrosia-
 no Holding) in Luxembourg was
 an example of the inherent
 risks.

Since the Ambrosiano failure,
 the central bank has taken this
 policy a stage further, and made
 plain to banks that it will not
 countenance them having subsidi-
 aries in tax havens where the
 local government fails to im-
 pose stable and efficient bank-
 ing control.

Banks, whose individual situa-
 tions vary considerably, have
 been discussing with the Bank
 of Italy what modifications are
 necessary.
 Some have already taken
 decisions. For example the
 biggest bank, Banca Nazionale
 del Lavoro, is preparing for the
 cessation of activity by its
 Luxembourg holding company,
 which will entail the elimina-
 tion of a subsidiary bank in
 Curacao.
 Banca Commerciale Italiana,
 the second biggest bank, is less
 forthcoming. It has a Luxem-
 bourg holding company, Banca
 Commerciale Holding SA, but a
 spokesman merely said that the
 bank was "not interested" in
 the question of its closure.

De Lorean
creditors in
new fight

A new attempt has been
 launched to help British credi-
 tors retrieve some of the £45m
 due to them from the De
 Lorean crash. Funds in Britain,
 in the US and in Swiss bank
 accounts are likely to be
 involved.
 An appeal for a fighting fund
 to pay the costs of what could
 be a fierce legal battle has been
 started by Mr Patrick Baly and
 Mr Brian Duffin, both of
 accountants Pannell Kerr Forster,
 who were appointed by
 creditors as joint liquidators of
 the company.
 Mr Baly said at his London
 offices at the weekend that the
 plan had been prompted by the
 "great frustration" felt by those
 who had lost so heavily
 supplying goods and services to
 the De Lorean company when it
 was trading in Northern Ire-
 land.
 He added: "As things stand at
 the moment they know they
 face the loss of the whole of the
 £42m due to them. What assets
 are available are being claimed
 by preferred and secured credi-
 tors."

A committee of inspection,
 made up of nine of the
 creditors, has given full backing
 to the proposals of the joint
 liquidators.

Dispute over jurisdiction casts shadow over summit

US-European trade relations worsen

By Michael Priest

Trade relations between
 Europe and the United States
 are likely to go from bad to
 worse ahead of the Williams-
 burg economic summit as the
 British and other governments
 attack American proposals in-
 terpreted as trying to increase
 control on companies acting
 outside the US.

The deterioration in relations
 between two of the world's
 main trading powers could
 undermine the American drive
 - broadly supported by many
 industrial countries - for more
 open trade in services.

It could also jeopardize
 moves to call another mini-
 stral meeting of the General
 Agreement on Tariffs and Trade
 next year or in 1985.

Britain aims that the US is
 extending the principle of extra-
 territoriality, term applied to
 legislation in one country which
 affects the sovereign rights of
 other countries. The issue came
 to a head last year when the
 Americans tried to apply sanc-
 tions against European com-
 panies supplying equipment for
 the Soviet natural gas pipeline
 from Siberia.

The United States eventually
 lifted the sanctions but officials
 in Whitehall and Brussels now
 feel that a bill introduced on
 Capitol Hill last week to renew
 the Export Administration Act
 contains stricter measures than
 those dropped last year.

In particular, the bill propos-
 es that the United States
 administration be allowed to
 impose unilateral controls on
 imports from countries whose
 sales to other markets may be
 compromised.

American national security. The United
 States would give its own
 definition of national security,
 and in practice would be mainly
 concerned with exports in
 Comcon.

British officials are examin-
 ing whether such legislation
 would breach GATT rules. But
 the Government also plans to
 bring the matter up at Williams-
 burg, where the agenda prom-
 ises to be preoccupied with East-
 West trade issues.

Slow growth in world trade 'will limit revival'

Bank chief forecasts sustained
recovery of British economy

By Peter Wilson-Smith, Banking Correspondent

Britain's prospects are much
 brighter according to Mr Robin
 Leigh-Pemberton, govern-
 or-elect of the Bank of England.
 The foundation for a sustained
 recovery had been strengthened,
 he said, by the drop in
 inflationary expectations and
 productivity improvements.

In his farewell statement as
 chairman of National West-
 minster Bank, Mr Leigh-Pem-
 berton conceded that slow
 growth in world trade would
 limit the scope for recovery,
 which had already been pushed
 further into the future than
 expected a year ago.

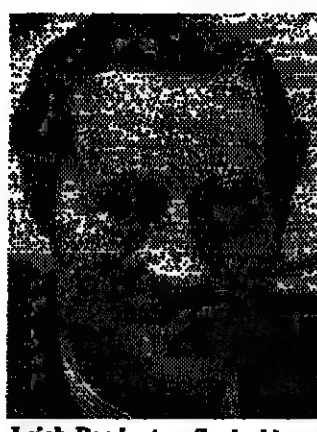
But the firm monetary and
 financial policies of recent years
 had reduced inflation to man-
 ageable levels and further falls
 in interest rates and inflation

this year should help to bring
 about a gradual upturn in
 economy.
 Both money supply growth
 and bank were buoyant for
 much of last year with substan-
 tial growth in personal lending
 and higher borrowing by com-
 panies to ease liquidity
 problems.

However, Mr Leigh-Pemberton
 added: "Fear that such
 leading might help to stimulate
 inflationary trends appear to be
 unrealised at this point in the
 economic cycle."

On the international front, he
 suggested the worst could be
 over for troubled countries and
 companies if the more acute
 phase of the recession was past.

Earlier this year, Mr Leigh-
 Pemberton was criticized for



Leigh-Pemberton: final address
 saying that the debt crisis, if
 there ever was one, was over.
 However, in his statement he
 stressed that "The current
 international financial problems

are clearly a cause for concern
 and we are not complacent. We
 believe, however, that the
 problems will prove manage-
 able with goodwill and coopera-
 tion on the part of all those
 involved."

Mr Leigh-Pemberton will
 move into an office at the Bank
 of England soon after stepping
 down from the chair of Nat
 West after next month's annual
 meeting. However he will not
 take over as governor until July
 1.

Mr Philip Wilkinson, Nat
 West's chief executive said in
 the review of operations that
 the bank's lending under the
 Government's loan guaranteed
 scheme had resulted in 6,500
 new jobs.

At the year-end Nat West had
 committed £61m under the

scheme and although there had
 been failures, these were accept-
 able against the background of
 1,100 new businesses estab-
 lished and jobs created, Mr
 Wilkinson said.

● A note of caution on the
 British economy in its fight out
 of recession has been sounded
 by Staniland Hall Associates,
 the economic advisers and
 business forecasters.

They claim that the recent
 sharp rise in productivity is
 unlikely to be maintained and is
 likely to ease during 1984. An
 increase of 2 per cent in the
 gross domestic product is
 predicted this year, with nearer
 3 per cent in 1984. This is some
 way below the 3½ per cent
 predicted for this year by Sir
 Terence Becker, director-
 general of the CBI, last week.

City Comment

Knights of
the long
knives

All is fair in love and war.
 Disputed takeovers are
 fought in a pretty stylized
 way on the stock market,
 within a complex set of
 rules. But that does not
 stop the knives from com-
 ing out. So the present
 spate of merger mania is
 giving onlookers a refresh-
 ing antidote to the usual
 smooth facade of top
 business life.

Mr Graham Llewellyn,
 chief executive of Sothe-
 by's, said he would blow
 his brains out if the
 Americans, Messrs Cogan
 and Swid, gained control of
 the superior auction house.

Elsewhere, leading busi-
 ness knights, used to
 parading their features
 masterfully in company
 reports, can be blithely
 dismissed as incompetents
 or asset-strippers - either
 in public or "off the record,
 old boy".

Property group Percy
 Bilton takes pride of place
 in the hatchet league so
 far. Its rejection of a
 takeover bid from the
 smaller Trust Securities
 rests on a slashing attack
 on the credibility of Trust
 and Mr Peter Jones, its
 chairman. They start off
 with the innocent comment
 that "in January 1980, Mr
 Jones was convicted of
 conspiring to defraud the
 Inland Revenue."

It then details the prob-
 lems of Mr Jones' previous
 company, describes Trust
 Securities as "a small
 property developer with 16
 employees", and goes on to
 question virtually every
 relevant element of Trust's
 present development.

By contrast, Bilton says
 little by way of defending
 itself. Maybe it does not
 need to.

But the rhetoric is often
 inversely related to the
 content. Watch out this
 week for offer documents
 from Messrs Cogan and
 Swid for Sotheby's and
 from Basilshaw for UDS.

The Sotheby bidders
 could perhaps afford to be
 restrained. But the signs
 are that they and their
 bankers, Morgan Grenfell,
 are prepared to give as
 good as they get.

Fed 'behind
currency
turbulence'

By Our Financial Staff

A new study from stock-
 brokers Simon & Coates has
 blamed the US Federal Reserve
 Board for the increased volat-
 ility in the world currency
 markets.

The study says that exchange
 volatility has increased during
 the 10 years since leading
 currencies began to float in
 1973. This has been particularly
 true of the Deutsche mark,
 dollar exchange rate and has
 been accompanied by much
 more volatile German and US
 interest rates.

"This is perhaps the most
 depressing result for the current
 international monetary system
 because the DM-£ rate is
 perceived by the international
 financial community as the
 pivotal exchange rate axis, since
 the movements in that rate will
 tend to affect movements in all
 European North American
 exchange rates to a greater or
 lesser degree," the report says.

The study, written by Mr
 David Morrison, admits that it
 is hard to attribute blame but
 says: "The circumstantial evi-
 dence would suggest that the
 root cause is the money market
 operating procedures of the
 Federal Reserve Board."

The report says that world
 leaders meeting at Williamsburg
 next month should consider
 tackling the root of the problem
 by changing the day-to-day
 operations of the Federal
 Reserve Board rather than
 trying to limit currency turbu-
 lence through central bank
 intervention, fixed rates or
 currency blocks such as the
 European Monetary System.

The study, which measures
 the extent to which currencies
 have fluctuated from their
 average percentage changes
 over the period, says there is
 evidence that volatility in-
 creased noticeably since
 November 1979 to January
 1983 after Mr Paul Volcker
 became chairman of the Federal
 Reserve.

It says that the general rise in
 exchange rate turbulence was
 accompanied by greater varia-
 tions in interest rates,
 especially in Germany and the
 United States.

Hungary to receive
\$200m Euroloan

By Our Banking Correspondent

A \$200m commercial bank
 loan for Hungary will be signed
 today in Budapest. The loan, in
 the name of the Hungarian
 national bank, is Hungary's first
 Euro market loan since it raised
 \$260,000,000 in the middle of
 last year. However, bankers
 warned against seeing the new
 loan as a breakthrough.

The Eastern block has been
 shut off from Western finance
 since Poland's political and
 economic crisis erupted,
 forcing Romania to reschedule
 debts and causing severe liqui-
 dity problems for Hungary and
 other Eastern European coun-
 tries.

Hungary's problems were
 eased last year with the help
 of temporary bridging finance
 from the Bank for International
 Settlements (BIS) and an
 international Monetary Fund
 loan.

However, bankers are still
 reluctant to lend and this is
 reflected in the latest Hungarian

HARD CURRENCY CURRENT ACCOUNT
BALANCES (\$m)

	1980	1981	1982	1983
Bulgaria	321	197	280	150
Czechoslovakia	225	-121	188	150
East Germany	-167	-100	1705	1000
Hungary	-370	-725	-152	450
Poland	-2829	-3303	-1751	-200
Romania	-2399	-618	555	800
TOTAL	-7025	-4874	925	2900
Soviet Union	454	-1198	2457	-2400

Source: Wharton Econometric Forecasting

Danes end paper bonds

From Christopher Follett, Copenhagen

Denmark has become the
 first country to systematically
 scrap paper bonds, replacing
 them with issues of debt
 registered on a central com-
 puter.

Mr Bent Mebus, managing
 director of the country's first
 securities centre at Taastrup in
 West Copenhagen, has said that
 all physical bonds have been
 phased out in a two-year
 operation designed to make the
 market more efficient and
 secure.

The operation affected
 700,000 bonds or 1 million
 accounts.

Denmark's computer bond
 registration system contains
 over Kr20,000m about
 (£47,000m).

Less than 1 per cent of
 Danish bond issues, or less than
 Kr10,000m in bonds remains
 outstanding as holders have not
 yet paid them in, but the
 securities centre expects these to
 be surrendered by the end of
 this year.

Denmark's purchasing bonds
 will now receive a routine
 receipt instead of the former
 documentation decorated with
 colourful stamps and well
 designed coupons.

BSC denies second US plan

By Our Financial Staff

The British Steel Corporation
 has denied that it has ap-
 proached a second American
 company to arrange a joint
 venture with the Ravenscraig
 works in Scotland.

The reports that Mr Ian
 MacGregor, the chairman, has
 approached Bethlehem Steel, in
 the US, is "absolute nonsense",
 a corporation statement said
 yesterday.

The denial follows reports
 that Mr MacGregor had ap-
 proached Bethlehem Steel
 through a third party to ask
 about the future of Bethel's
 Lackawanna steelworks

a proposed deal involving
 Ravenscraig and US Steel's
 plant at Fairless, in Pen-
 nsylvania.

The unions and politicians
 have imposed fines totalling
 "millions of dollars" on several
 EEC steel companies which
 have breached the community
 rules on production quotas.
 Officials said that the largest
 fine had been imposed on
 Klockner, the West German
 steel company, which had
 exceeded its quotas during late
 1981 and the first half of last
 year.

He has been under pressure
 to come up with a solution to
 the problems of filling the
 massive overcapacity.

● The European Commission
 has imposed fines totalling
 "millions of dollars" on several
 EEC steel companies which
 have breached the community
 rules on production quotas.
 Officials said that the largest
 fine had been imposed on
 Klockner, the West German
 steel company, which had
 exceeded its quotas during late
 1981 and the first half of last
 year.

GROVEWOOD
SECURITIES LIMITED£17 MILLION PRE-TAX
PROFIT FOR 1982

INCREASE OF £1.2 MILLION

John Danny, Chairman and Chief Executive, states:

In reporting a £17 million profit for 1982, I would like to
 thank all those in the Grovewood Group who contributed to
 this result - a record for the fifteenth consecutive year.

Nowadays, there is massive competition for the provision
 of funds for private companies and family businesses, the
 financial pages of National newspapers containing numerous
 advertisements.

Our best advertisement is the people who have already
 joined Grovewood. Names are shown in our Report and
 Accounts and any of them can be asked privately how they
 feel about their association with Grovewood and its friendly
 and stimulating environment.

15 YEAR PROFIT RECORD

1982 £17.010 million			
	£ million		£ million
1981	15.823	1974	3.279
1980	14.409	1973	2.805
1979	13.230	1972	1.945
1978	11.235	1971	.912
1977	7.160	1970	.626
1976	5.646	1969	.494
1975	3.667	1968	.436

Entrepreneurs sell to us part of their shareholdings, re-
 taining management control, and we purchase the balance
 over periods suitable to them. These happy and prosperous
 "partnerships" are what Grovewood is all about.

We shall be glad to receive enquiries which will be
 dealt with promptly and confidentially.

SCIENTIFIC INSTRUMENTS, BUILDING MATERIALS, MERCHANT BANKING SERVICES,
 TELEVISION, ELECTRICAL AND HOUSEHOLD GOODS, ELECTRONIC COMPONENTS,
 ENGINEERING, AGRICULTURAL MACHINERY AND SPARES, MOTOR VEHICLES,
 MOTOR RACING CIRCUITS, MEDICAL AND NURSING SERVICES.

GROVEWOOD SECURITIES LIMITED

45 Circus Road, London NW8 9JJ.
A MEMBER OF EAGLE STAR GROUP

Look what's been going on behind your local NatWest in 1982

We've been in action for our personal customers...

Through National Westminster Home Loans we've developed our mortgage facilities and, through NatWest Saver Service, we've introduced new higher rate savings schemes for regular savers. To improve our customer services we've expanded our Servicetill network to over 750 installations. By the end of 1983 there will be 1,000 Servicetills operating on a 24-hour basis throughout the UK. We are also developing other automated service aids, including 300 Rapid Cash Tills, soon to be installed inside branches.

in action helping smaller businesses...

Not only have we formed a new Small Business Section, we've also extended the terms of our Business Development Loans to up to 20 years. And, by participating in the Government's Small Firms Loan Guarantee Scheme, we've helped to create new jobs in 1,100 new businesses. We have also strengthened our support for the Council of Small Industries in Rural Areas (COSIRA).

in action on behalf of exporters and corporate clients...

We've greatly broadened our services to corporate clients and exporters by establishing an export finance house, opening new international banking centres in Edinburgh and Sheffield, and offering access to the London International Financial Futures Exchange. And, by launching our

'NatWest Network' multi-currency cash management service - which is now available to corporate treasurers through desk-top computer terminals anywhere in the world - we've made life easier for a number of companies. We've also more than doubled the value of issues we've managed and co-managed in the international capital markets.

in action overseas...

In America we've opened an international banking office in Miami for the National Bank of North America and have established a US factoring company, NatWest Commercial Services Inc. Our business in the Far East and Australasia is also expanding, spearheaded by our executive office in Singapore. Elsewhere we have been increasing our commitment to project finance, especially in oil and gas development.

and in action for the community

On the home front, we have been active in both job creation schemes and the Government's Work Experience Programme. We have also introduced experimental work sharing schemes, and have supported local voluntary organisations and other initiatives designed to combat unemployment in our Inner Cities. We have, throughout the year, continued with our broadly-based sponsorship programme.

The Chairman, Mr Robin Leigh-Pemberton, comments:-

Pre-tax profits for 1982 are down by 11 per cent on 1981 in historic cost terms. This result reflects a pleasing increase in operating income, offset by provisions for bad and doubtful debts, and has been achieved in spite of falling interest rates at home and strong competition overseas. Almost all parts of the Group have contributed to the underlying progress in our business.

The high provision for bad and doubtful debts is a reflection of the continuing cash problems felt by customers in business at home, and of liquidity problems experienced by borrowing countries overseas. Liquidity, interest rate exposure, foreign exchange exposure and credit risk are watched closely and controlled

so that we remain one of the most strongly capitalised banks in the world.

A year ago it seemed reasonable to hope that by the end of 1982 the UK economy would be climbing out of recession. This prospect, and an easing of the social problems of high unemployment, have unfortunately been pushed further into the future. Nevertheless, the foundation for sustained recovery has been strengthened.

From this position the United Kingdom should be able to build a brighter future for which the National Westminster Group is equipped and ready to make its full contribution.

Financial Highlights 1982

Money lodged	£50,196 million
Money lent	£41,475 million
Group pre-tax profit	£439 million
Retained profit	£329 million

Copies of the 1982 Report and Accounts, which include the Chairman's Statement, may be obtained from the Secretary's Office, National Westminster Bank PLC, 41 Lothbury, London EC2P 2BP.

NatWest
The Action Bank
National Westminster Bank Group



Unlisted securities market review Lloyd's broker joins ranks

Four companies last week announced their intentions to join the fast-growing Unlisted Securities Market.

Derek Bryant has become the first Lloyd's broker to join the USM with today's placing of 27.2 per cent of the issued share capital. Brokers Laing & Crickbank are placing the 600,000 shares at 110p a share, valuing the whole company at £2.4m.

Mr Derek Bryant, founder and chairman, estimates that about 70 per cent of the group's turnover stems from the US where it is heavily involved in direct insurance. However, he says that the group's style may have to change, and it is already becoming increasingly involved in reinsurance.

Yorkgreen Investments' confidence in the Unlisted Securities Market goes without saying after its decision to make the move from a full quote to

become a member of the USM.

This comes after last month's reverse takeover by the private company Stamfast. Midlands brokers Smith Keen Cutler will be placing 4.7 million shares at 36p a share valuing the company at £3.9m. Dealing started on Friday at 42p a premium of 6p. The reason for the switch from a full quote to the lesser USM is explained by Stamfast's profits exceeding those of Yorkgreen and its short trading record. The Stock Exchange requires at least 5 years trading against Stamfast's 4 years. The Stamfast acquisition increases Yorkgreen's wide spread of interests which ranges from oil exploration to ceiling panels.

As if the USM was not already weighed down enough by new technology stocks, brokers Simon & Coates have decided to add another.

They are placing £27,000

shares in Microlease a small computer leasing group, although a price has still to be decided. It is unlikely the group will be valued at much more than £2.5m once the placing has been completed.

There can be no doubting last week's star performer on the USM - Mr Eric Morley's Miss World Group, where dealings started on Thursday amid a blaze of publicity. The 810,000 shares placed at 60p opened at an amazing 133p before ending the week at 142p and valuing the company at £2.7m.

However, many brokers were shocked at the shares' popularity, which culminated in Mr Michael Ashcroft's, Hawley Group picking up 15 per cent of the shares on Friday. For a company forecasting pre-tax profits of £300,000, and precious few assets to speak of, the shares are starting to look heavily overpriced.

Oil rich investors look to the East

Bahrain (Reuters) - Arab money managers are looking east for a potentially more profitable home for some of their millions on petrodollars.

With their oil output slumping because of the world glut, Gulf states are turning to Asia and Australasia partly to diversify investments traditionally held in the United States and Europe, according to bankers and economists.

But Gulf investment managers are also seeking countries with high-growth potential when the world economic recovery begins, they said.

"The Asia and Pacific Basin countries will have growth considerably in excess of Europe and United States for the next 10 years," Mr John House, Kuwait Asia Bank's general manager predicted.

Bankers stress that only a small portion of Arab petrodollars is moving east. But this means big business, given that the organization of Petroleum Exporting Countries (Opec) members, mainly the Gulf States, are estimated to hold up to \$400,000m (£256,400m) in investable reserves.

The most tangible sign of increasing Arab interest in Asia is an influx of Arab banks to financial centres such as Singapore and Hongkong.

Kuwait Asia is a leading bank channeling funds from Gulf to

Asia. Last week it raised its capital to \$100m from \$30m to finance new branches and ventures in the region.

Arab bankers and financial advisers, traditionally familiar with the economies of the West, knew little about the East until about three years ago when the West slid into recession.

The bankers said that while part of the new surpluses generated by the Gulf States would be invested in the East, they did not predict funds being withdrawn from the West.

Only financial markets in the United States and Europe have the size to absorb the vast sums the Arabs have invested, a Kuwaiti banker said. "But we are thinking about putting a small percentage, perhaps a tenth, of our new money into Asia," he said.

Kuwait has an estimated \$75,000m of reserves, generating about \$7,000m a year of interest.

Private Arab investors and government finance ministries are looking for investment opportunities in most major Asian countries.

Bankers said Malaysia, for example, was seen as attractive because of its wealth of natural resources and because its Moslem population had religious links with the Middle East.

NEI

Results for the year ended 31st December 1982

Another Successful Year

- Profit before taxation £39.5 million. ... up 20% over 1981.
- Turnover £867 million. ... up 20% over 1981.
- Export orders received £341 million. ... 48% of UK order intake.
- Orders in hand £1485 million.
- Increased Earnings per share.
- Increased Dividend.

	Year Ended 31.12.82.	Year Ended 31.12.81.
Turnover	£867 million	£721 million
Profit before taxation	£39.512 million	£33.033 million
Profit attributable to NEI Shareholders (after taxation and extraordinary items)	£21.930 million	£19.447 million
Earnings per ordinary share - Net basis	11.26p	10.34p
Dividend per ordinary share	4.75p	4.125p

The 1982 results demonstrate the continuing upward trend of our business. NEI looks forward to yet another successful year in 1983.

DUNCAN McDONALD, CBE, CHAIRMAN

Copies of the report are available from the Company Secretary, Northern Engineering Industries plc, NEI House, Regent Centre, Newcastle upon Tyne NE3 3SB.

Northern Engineering Industries plc

FIXED-INTEREST STOCKS

Stock	Price	Yield	Div	Yield	Div
Alkali-Ly.	7 1/2	8.50	11.20	11.20	11.20
BCC	8 1/2	8.50	11.20	11.20	11.20
Blue Circle	8 1/2	8.50	11.20	11.20	11.20
Courtside	8 1/2	8.50	11.20	11.20	11.20
Delta Co.	8 1/2	8.50	11.20	11.20	11.20
Eng. Prop.	8 1/2	8.50	11.20	11.20	11.20
Land Secs.	8 1/2	8.50	11.20	11.20	11.20
MFC	8 1/2	8.50	11.20	11.20	11.20
Trustee	8 1/2	8.50	11.20	11.20	11.20

CONVERTIBLE LOANS


Stock	Price	Yield	Div	Yield	Div
Alkali-Ly.	7 1/2	8.50	11.20	11.20	11.20
BCC	8 1/2	8.50	11.20	11.20	11.20
Blue Circle	8 1/2	8.50	11.20	11.20	11.20
Courtside	8 1/2	8.50	11.20	11.20	11.20
Delta Co.	8 1/2	8.50	11.20	11.20	11.20
Eng. Prop.	8 1/2	8.50	11.20	11.20	11.20
Land Secs.	8 1/2	8.50	11.20	11.20	11.20
MFC	8 1/2	8.50	11.20	11.20	11.20
Trustee	8 1/2	8.50	11.20	11.20	11.20

EUROBOND PRICES

Stock	Price	Yield	Div	Yield	Div
Alkali-Ly.	7 1/2	8.50	11.20	11.20	11.20
BCC	8 1/2	8.50	11.20	11.20	11.20
Blue Circle	8 1/2	8.50	11.20	11.20	11.20
Courtside	8 1/2	8.50	11.20	11.20	11.20
Delta Co.	8 1/2	8.50	11.20	11.20	11.20
Eng. Prop.	8 1/2	8.50	11.20	11.20	11.20
Land Secs.	8 1/2	8.50	11.20	11.20	11.20
MFC	8 1/2	8.50	11.20	11.20	11.20
Trustee	8 1/2	8.50	11.20	11.20	11.20

APPOINTMENTS

Stock	Price	Yield	Div	Yield	Div
Alkali-Ly.	7 1/2	8.50	11.20	11.20	11.20
BCC	8 1/2	8.50	11.20	11.20	11.20
Blue Circle	8 1/2	8.50	11.20	11.20	11.20
Courtside	8 1/2	8.50	11.20	11.20	11.20
Delta Co.	8 1/2	8.50	11.20	11.20	11.20
Eng. Prop.	8 1/2	8.50	11.20	11.20	11.20
Land Secs.	8 1/2	8.50	11.20	11.20	11.20
MFC	8 1/2	8.50	11.20	11.20	11.20
Trustee	8 1/2	8.50	11.20	11.20	11.20



National Girobank

National Girobank announces that with effect from 15th April 1983.

Base Rate

Its base rate was reduced from 10½% to 10% per annum.

Deposit Accounts

The rate of interest payable on deposit accounts was reduced to 6½% per annum plus 1% per annum bonus on minimum balance over 6 months.

10 Milk Street LONDON EC2V 8JH

Hill Samuel

Base Rate

With effect from the close of business on April 18, 1983, Hill Samuel's Base Rate for lending will be reduced from 10½ per cent to 10 per cent per annum.

Interest payable on the Bank's Demand Deposit Account will be at the rate of 6½ per cent per annum

Hill Samuel & Co. Limited

100 Wood Street, London EC2P 2AJ.
Telephone: 01-628 8011.

Co-op Bank

announces a change in base rate

From 10.50% to 10.00% p.a.

On and after Tuesday, 19th April 1983

Deposit Rates will become:
7 day deposits 6.75% p.a.
1 month deposits 7.00% p.a.

Short-term deposits range from 7.75% to 9.35% p.a.
depending on amount & term (minimum £500 & 6 months)

First Co-operative Finance Limited
Cheque & Save current notional interest rate is 4.50%

APPOINTMENTS

Rea names deputy chairman

Mr Malcolm Wilcox has become a director and a deputy chairman of Rea Brothers.

Mr S. A. Meacock is the new chairman of Meacock Samuelson & Devitt (Reinsurance Brokers) and Mr D. J. Forsey becomes managing director. Mr J. M. Horwell becomes a director.

Mr R. R. Kerry will retire as chairman of Fine Art Developments at the annual meeting next year. Mr D. T. Barnes will succeed him. Mr J. P. Parker is appointed managing director with immediate effect.

Mr Tony Lorenz becomes managing director of Equity Capital for Industry. His appointment follows that of Sir Nigel Foulkes as chairman of ECI from the beginning of this year in place of Lord Plowden who has retired. Mr Jonathan Baker has joined ECI from Clubbank as a senior investment executive, while Mr Drennan Wink, previously with L. Messel & Co. becomes company secretary.

Mr David W. Wainwright, assistant director, completes the senior management team. Mr Brian Dean, who has been an executive director and general manager since 1981, has retired to pursue other business interests, but will remain a consultant to ECI.

Mr Alan Jones has become managing director of Hunters Foods with effect from May 3. Mr Jones is at present managing director of the Dairy Foods Division of Adams Foods.

Mr C. J. Farrow has been appointed as an assistant director in the finance and industry area of the Bank of England. He will take up the appointment in mid-May.

Mr Peter G. Ross is a new director of Hinton Hill (UK), the subsidiary of Johnson Matthey & Hinton Hill.

Mr Syd Lawlor who has effectively acted as managing director of Allied Hambro since its acquisition by Hambro Life, formally becomes managing director in addition to his duties as joint managing director of Hambro Life.

Mr Mark St Giles has been appointed chief executive of GT Unit Managers and managing director of GT Investment Management Company, the management company for the GT Investment Fund. He is resigning from the boards of Hambros Bank and Allied Hambro Group.

Mr Frederick E. Cleary chairman and founder of Haslemere Estates, has become president of the company. Mr Sir Emrys Jones has been appointed chairman of Velocourt Management Services.

OPTIONS

OPTION PREMIUMS (prices by Cent Communications)

Prices in sterling per cent, subject to 10p per cent.

Commodity	One month	Three months
Copper	17	27
Lead	23	18
Aluminium	18	18
Silver	18	47

Notes: By 30 Dec 11.
Coffee: 25 Dec 11.
Rubber: 25 Dec 11.
US TRADING: 25 Dec 11.
T. 01-628 8011.

Base Lending Rates

ABN Bank	10 %
Barclays	10 %
BCCI	10 %
Consolidated Crds.	10½ %
C. Hoare & Co.	10 %
Lloyds Bank	10½ %
Midland Bank	10 %
Nat Westminster	10½ %
TSB	10½ %
Williams & Glyn's	10 %

* 7 day deposits on rates of under £10,000, 6½% £10,000 up to £20,000, 7½% £20,000 and over.

Which British company has products and services all around you?

THOMAS TILLING

But perhaps you know us better by other names

- ... at home and in the office
- Britain's largest electrical wholesalers Newey & Eyre for electrical and electronic fittings and equipment
- Britain's largest builders' merchants the Graham Group for bathrooms, kitchens, central heating and all house-building products
- Britain's second largest tile manufacturer Pilkington's for floor and wall tiles
- One of Britain's largest quarriers Ticon for road surfacing, ready mixed concrete, mortar and bricks
- ... or protecting your interests
- A major UK insurance company Cornhill for insuring your car, home, life and other risks
- A major worldwide health care group InterMed for health care products and rehabilitation aids - including the largest artificial limb makers in the world
- ... or for your personal use
- Top quality bedding and furniture from Rest Assured
- Glamorous ladies' hosiery from Britain's largest manufacturer Pretty Polly
- The best in books from the Heinemann companies - Britain's largest educational publishers, and publishers of famous fiction authors
- These market leaders have considerable expansion potential in Europe, America, Japan and other countries around the world - giving Tilling significant presence in leading areas of future growth

Tilling for strength - diversity - growth



For a copy of our 1982 Annual Report, please contact: The Secretary, Thomas Tilling plc, Crewe House, Curzon Street, London W1Y 8AX

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

WELLMAN plc

(Incorporated under the Companies Acts, 1908 to 1917 and 1948 to 1981)

**Issue of 2,500,000
10 per cent. Cumulative Irredeemable Convertible
Preference Shares of £1 each at par**

The Council of The Stock Exchange has admitted the above Shares to the Official List. Particulars of the Shares are available in the statistical service of Extel Statistical Services Limited and copies of such particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 3rd May, 1983 from:

Kleinwort, Benson Limited,
20 Fenchurch Street,
London EC3P 3DB.

James Capel & Co.,
Winchester House,
100 Old Broad Street,
London EC2N 1BQ.

18th April, 1983.

Hongkong Bank

announces that on and after
15th April, 1983

the following annual rates will apply

Base Rate 10%
(Previously 10½%)

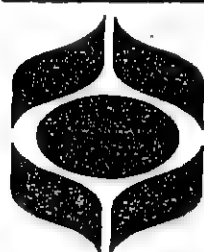
Deposit Rate (basic) 6¾%
(Previously 7½%)

The Hongkong and Shanghai Banking Corporation

The British Bank of the Middle East

Mercantile Bank Limited

Antony Gibbs & Sons, Ltd.



London and Manchester Group plc

Extracts from the statement by the Chairman, Mr H L K Brown, F.C.A., on the Group Report and Accounts for 1982

In the light of the economic conditions prevailing during 1982, the results for the period reflect a very encouraging all-round performance with the benefits of diversification now becoming apparent. I wish to express to the management and all members of the staff my appreciation of their support during a difficult trading period.

Board

In June last year Mr. Kevin McBrien, a director and general manager, resigned to take up a senior appointment with another insurance office. I would like to acknowledge the contribution he made to Company progress, particularly in the marketing area, and to wish him well in his new position. Mr. Denis Oppé retired at the Annual General Meeting having reached the age of 70. Mr. Oppé has been a director since 1962 and I take the opportunity of expressing the Board's warm appreciation of his wide experience and helpful advice during the past 21 years. Since the end of the year Mr. John Thomson has been appointed a Deputy Chairman in addition to Lord Wakehurst.

Management

Following Mr. McBrien's resignation, the opportunity was taken to re-structure the management team. I am happy to report that all senior appointments were made from within the Group and the satisfactory results before you are due in no small measure to the way in which the young and enthusiastic management team has adapted to its new responsibilities.

Profit Sharing and Share Option Schemes

These two schemes, which were approved by shareholders at an Extraordinary General Meeting in October, have now been introduced. It is the hope of your Board that employees will be encouraged thereby to own shares in the Company so that they may have an enhanced personal interest in ensuring its continued success and profitability and an added incentive to pursue a long term career with the Group.

Life Broker Division

Following the implementation of the Group's new strategy involving resignation from the Life Offices' Association at the beginning of 1982, this division has made very good progress, total new annual premiums showing a 82 per cent increase to £2.8m. In addition, single premiums of over £11.5m were received.

The new unit-linked products to which I made reference last year and in particular 'Link 10', a 10-year open ended savings plan for the middle age regular saver, have been well received. A recently introduced pension plan for the self-employed, 'Peace and Quiet', has already achieved sales substantially ahead of target.

Pensions Division

The division had another very successful year in 1982. The emphasis was on group pensions business where new annual premiums moved against the industry trend to show an increase of 28 per cent over the previous year. Total gross annual premiums were similar to those of 1981 at just over £3.0m and reflect the planned reduction of group life business in the light of the aggressive underwriting of rates by several life offices in this market. Single premiums were nearly three times higher than the previous year at £6.0m, with 'Transplan' making the major contribution. The considerable national press coverage of this new contract, designed to help the early leaver improve his paid up pension, increased the Group's reputation within its chosen market. The advanced computerised administration system to which I referred in last year's report has now been fully implemented and enables the division to provide its clients and intermediaries with the first class service which is so essential to success. During the course of the year the preparatory work was completed to establish a managed fund contract which will be launched in June this year. This will provide trustees with an additional tax-exempt investment vehicle for part or the whole of their pension fund assets and will increase the range of contracts on offer.

Home Service Division

The home service division is the area that has been most affected by the current economic climate but it continues to be the Group's principal marketing operation. New business in the ordinary and industrial branches, where increases of 13 per cent and 6 per cent respectively were recorded, was at an encouraging level. In common with the rest of the industry the retention of existing business remained a problem, but the division nonetheless achieved a premium income growth of 10.2 per cent in the ordinary branch and 7.3 per cent in the industrial branch which in all the circumstances was a very creditable performance. Considerable efforts have been made to contain and gradually reduce operating costs despite continuing inflation. These efforts are now showing positive results in that the expense ratio for this labour intensive area of business has been further reduced and the indications are that more progress will be made during the current year.

General Branch

Gross premium income increased by 6.5 per cent to £6.4m. The year 1982 proved to be a difficult one in the industry for general branch business. The exceptionally hard winter of 1981/82 resulted in a sharp increase in the incidence of claims received in the first quarter of 1982 in both the household and the motor sections. Additionally, in the face of increasing competition in the industry, there has been little opportunity to revise premium rates.

The general branch premium income is derived mainly from the home service area and without an early recovery in the country's economy it may be difficult to achieve significant expansion in the general branch portfolio in 1983. Claims loss ratios on the four main accounts continue to compare favourably with published industry figures. A loss of £423,000 after tax has been transferred to the profit and loss account.

Investments

The most important feature of the UK economy during 1982 was the continuing fall in the rate of inflation, accompanied by strength in both

gilt and equity markets. Towards the end of the year and more noticeably in the early months of 1983, the first signs of the long-awaited economic recovery began to appear. However, there was a further rise in unemployment and a continued fall in the value of the pound. Against this economic background gilts have again figured prominently in the allocation of new money and £14.8m has been invested in this sector by the main life funds. There has been a reduction in other fixed interest securities and in mortgages £15.5m has been invested in UK equities and £6.5m overseas, almost entirely in the United States where faith in an imminent rise in the market has been fully vindicated. The UK property market continues to be somewhat depressed and this has provided the opportunity to invest a further £6.5m on favourable terms mainly in good quality shop and industrial premises.

For many years there has been a particular emphasis on investment trust shares and with total holdings exceeding £140m this sector continues to feature prominently in the portfolio. The Group has benefited from the moves made by a number of management groups to re-organise the trusts under their control. Two trusts in which there were significant holdings, United States & General and Cedar, were utilised during the year. More recently plans have been announced to utilise Broadstone and Dominion & General, two other trusts in which substantial interests are held.

I referred earlier to a reduction in the investment in mortgages. At a time when interest rates remain very volatile it is impossible to structure a fixed rate mortgage contract which is satisfactory to both borrower and lender. Accordingly, your Board has decided that future mortgage lending will be on a variable rate basis, financed by external borrowing. An offer to transfer to this basis has already been made to a substantial number of existing borrowers and a very satisfactory response has been received. Reference is made elsewhere to the success achieved by the life broken division in marketing linked life insurance. It is appropriate to acknowledge the contribution made to this success by the marked improvement in the investment performance of the linked funds during the past year.

Reserves

In the ordinary branch a reversionary bonus of £5.50 per cent of the sum assured has been declared compared with £5.25 per cent in the previous year. Industrial branch reversionary bonuses have also been improved. The rise in market values of assets over the year has also resulted in substantially higher terminal bonuses and this is reflected in increased transfers from investments revaluation reserve, £2.4m to the ordinary life fund and £1.9m to the industrial life fund, totalling £4.3m, compared with £2.9m in the previous year. The appreciation in market values is largely a result of lower interest rates. As an outcome of falling inflation this reduction is to be welcomed, but if it persists the maintenance of the complete bonuses at their current levels is called into question. Provided there is a continued reduction in the rate of inflation, however, lower bonuses would not necessarily reduce the return to policyholders in real terms.

The complete bonus system, under which the terminal bonuses paid on with-profits policies are directly related to the investment appreciation which has occurred over the duration of those contracts, has served policyholders and shareholders well since its introduction in 1969. No basis of distributing profits should remain unchanged indefinitely without periodic review and your Board acting on the advice of the Group Actuary is currently reviewing the operation of the complete bonus system to determine whether it still meets the needs of policyholders and shareholders in the current economic climate.

Profits and Loss Account

Transfers from the life funds on the usual basis provided £1,254,000 from the ordinary branch and £1,398,000 from the industrial branch. The sum of £700,000 has been transferred from the investment trust retirement annuity fund. Investment income has increased from £965,000 to £1,056,000. After setting off the general branch loss of £423,000 and the expenses of management and taxation, there remains a balance of profit for the period of £2,610,000. Your directors have decided to recommend the payment of a final dividend of 9.31p per share. This, together with the interim dividend of 4.34p per share paid in November 1982, makes a total of 13.65p per share (1981 11.9p per share). After providing for these dividends, the balance carried forward has been increased by £480,000.

The Future

Earlier in my statement I referred to a welcome indication of reduced levels of expenses, albeit of a modest dimension. The need to bring expenses of management down to a more acceptable level remains a matter of high priority and a continuing programme of rationalisation will be pursued to this end. The primary objective must remain the provision of good returns to policyholders to enhance still further the Group's position in the market. This will secure an expanding customer base for its products and safeguard the profitability of the Group and the long term job prospects for employees. The management has welcomed the staff union initiative to negotiate a redundancy agreement. While it is not anticipated that as a result of rationalisation there are likely to be redundancies on any substantial scale and while every effort will be made to deal with such matters through normal staff turnover and redeployment within the Group, it is regretted that a limited number of redundancies must necessarily occur. It is the aim of your Board to keep redundancies to a minimum without being deflected from the main objective which provides the best guarantee of employment within the Group.

Since the end of the year, the life broker and pensions divisions have continued to press ahead with their expansion and the early returns from the home service division disclose that it is making a good start to the new year. With the first signs of more optimistic economic forecasts appearing, I am confident that the Group is in a position to take full advantage of any upturn in the economy and present an encouraging account to shareholders at the end of 1983.

The Annual General Meeting will be held on 6 May 1983. Copies of the Report, which includes the full text of the Chairman's Statement may be obtained from the Joint Secretary at Imperial House, Dominion Street, London EC2M 2SP.

Opec fears further drop in prices

When the Market Monitoring Committee of the Organization of Petroleum Exporting Countries meets today it will be analysing an oil market that is buoyant for the time being. But how long the markets, as measured by spot prices, will be strong is open to question.

At present, spot prices of crude oil are near official levels, with sweet light crudes like Nigerian Bonny Light and North Sea Brent as or only slightly below the official price. Late on Friday, Nigerian Bonny Light was quoted at \$30.10 (£19.40), ten cents above posting, while Brent was trading at about \$29.85, close to its \$30 a barrel.

Other crudes have firmed dramatically in the few weeks since Opec lowered its reference price to \$29 a barrel from the \$34 that had been in effect since October 1981. The solidification accelerated a couple of weeks later when Britain reduced its oil prices in line with Opec's March 14 pricing and production agreement, averting a price war and renewing a sense of stability in the markets.

But in the past few days, spot-products prices that initially led

the oil-price rally have tumbled sharply, while crude oil prices have continued firm in the spot market. The products weakness is seen by many as presaging a decline soon in crude prices.

The United Arab Emirates' oil minister and head of Opec's Market Monitoring Committee, Dr Mani Saeed al-Otaiba, said in an interview that Opec has already secured agreement with Britain and Mexico, two of the largest oil producers outside the organization, to hold their crude production at current levels. "We asked the United Kingdom and Mexico to maintain production, and they have accepted," Dr Otaiba said.

Britain, however, repeatedly denied reaching any accommodation with Opec, although Mr Nigel Lawson, the Energy Secretary, held discussions with several Opec oil ministers during the group's marathon negotiating session in London last month. Mexico, for its part, has said it will cooperate with Opec, but has said nothing about reaching a formal agreement.

An agreement would mark a significant change in Britain's policy. It has tended to produce



Otaiba: claims agreement

as much oil as possible and has followed free-market dictates in setting prices for its North Sea oil. North Sea production is about 2.3m barrels a day. Mexico's output is about the same. Opec's 13 members are producing 14m barrels daily at present, Sheikh Otaiba said.

The optimists expect demand for Opec oil to rise to as much as 20m barrels a day in the third quarter. Fourth quarter demand could rise further, some feel. But overall Western demand is still expected to fall short of

last year's 45.5m barrels, perhaps reaching 43m. That does not augur well for the oil exporters. With most non-Opec exporters producing near optimum levels, Opec is the world's producer at the margin. It is operating at less than half its 32m barrel a day peak rate of about four years ago.

The low-point for demand this year should come in the second quarter, when Western oil demand bottoms out at 42-43m barrels daily.

Opec's market panel, which consists of the oil ministers from Indonesia, the United Arab Emirates, Venezuela and Algeria, will probably be able to close its meeting in London by proclaiming that the new Opec pricing and production policy is a success and that as long as members stick with the programme, prices can be stabilized over the long term.

Few expect any major news to emerge from the panel's deliberations. So far, outside of some unconfirmed rumours, Opec members are believed generally to be observing the Opec policy, and markets have reacted favourably.

Malaysians 'planning bid for Dunlop'

Kuala Lumpur - (AP/DJ) - Dow Jones - Pegi: Malaysia's on-again, off-again flirtation with Britain's Dunlop Group is heating up again, according to *The Asian Wall Street Journal*. Securities analysts here and in Singapore think the Malaysian company, controlled by businessman-politician Mr Abdul Ghafar Raba, is preparing to launch a takeover bid for Dunlop Holdings.

Pegi's move comes after several fruitless attempts to acquire substantial stakes in Malaysian subsidiaries of the British rubber products-based conglomerate. But some observers think the courtship could turn stormy. Dunlop's management may vigorously resist an embrace by Pegi, a smallish investment holding concern with few attractive assets.

Pegi announced during the past two weeks the purchase of 13.5 million Dunlop holdings shares on the London Stock Exchange for the equivalent of Malaysia \$23.6m. The chase added to a 16.7 per cent stake acquired in 1980-lifted Pegi's holdings in the British company to 26.1 per cent and made it the largest single shareholder in Dunlop.

The acquisitions brought Pegi near the 30 per cent point which, under the London takeover code, would require the company to make a general offer for all the shares in Dunlop it does not already hold.

Dunlop officials have professed to be unconcerned by Pegi's latest buying spree. A company spokesman in London said that Pegi has "merely increased its investment" in Dunlop Holdings. He added that "there is no reason to believe that (a general offer) is going to be made".

Venezuela to cut oil investment

Caracas (Dow Jones) - Venezuela's state oil industry will cut its investment budget this year to the equivalent of \$3,400m from \$3,600m, a reduction of about 15 per cent, according to reports quoted by Mr Humberto Calderon Berté, the energy and mines minister.

In an interview in El Nacional, Mr Calderon Berté said weak international marketing conditions and Venezuela's financial difficulties justified a slowdown in Petroleos de Venezuela's efforts to reach daily production capacity of 2.8 million barrels.

Chrysler attacks GM-Toyota deal

Detroit (NYT) - Officials of Chrysler have launched a campaign to block the planned joint production of small cars in the United States by General Motors and Toyota.

GM and Toyota, respectively the largest and third-largest car producers in the world, signed an agreement on February 17 to produce 200,000 Toyota-designed cars a year starting late next year. The joint company would use GM's idle factory in Fremont, California under the direction of a Toyota executive.

Chrysler has filed its objections with the Federal Trade Commission. Mr Robert Perkins, Chrysler's Washington office vice-president said. The FTC must decide whether the project meets anti-trust standards.

Mr Perkins said that Chrysler might consider a private antitrust law if the FTC declined to block the plan. "We are going to do whatever we can to stop it," Mr Perkins said. We think this is a key decision for the entire US car industry.

Most of GM's domestic competitors had expressed concern when the venture was announced. They said it would give GM a product, at lower cost, than models produced entirely in the United States because of Japanese production efficiencies and lower labour costs. About 50 per cent of the parts for the new car, would be imported from Japan.

But most competitors have limited their complaints to low-key grumbles to inquiries from the FTC.

However, Chrysler which has

staked its future on smaller cars with front-wheel drive, has taken a more aggressive position to what it believes are the inherent dangers in the GM-Toyota deal.

Last week, Mr Gerald Greenwald, Chrysler's vice-chairman, testified before a sub-committee that the Fremont agreement was only a part of what he termed GM's all-Japanese strategy for the low end of the car market.

"It seems clear that it is GM's intention to quietly go from importing no Japanese cars in 1982 to becoming overnight the country's third largest foreign-car importer, just behind Toyota and Nissan," Mr Greenwald said. Mr Perkins said Chrysler executives would press their case before Congress when an opportunity arose.

GM replied to Mr Greenwald's remarks over the weekend: "We believe our joint manufacturing venture with Toyota will provide jobs in America, bring an outstanding product into the small-car market and provide an opportunity to learn from Japanese techniques."

Although GM has said the reopening of the Fremont plant would create 3,000 jobs directly and a total of 9,000 in supplier industries, opponents say the ultimate effect would be to decrease US car employment if the joint-venture car and the Isuzu and Suzuki imports displace the Chevrolet Chevette. Mr Greenwald said Chrysler estimates that GM's Japanese deals would cost 19,500 jobs in the United States while creating more in Japan.

50pc fall in orders for shipbuilders

Paris - (AP-Dow Jones) - New shipbuilding orders received by leading western industrialized nations tumbled by almost 50 per cent last year to 7.2 million gross registered tons, according to the Organization for Economic Cooperation and Development.

The countries surveyed included Japan, West Germany, Belgium, Denmark, France, Ireland, Italy, the Netherlands, Britain, Spain, Finland, Norway and Greece.

Japanese yards accounted for 68 of the total tonnage with 4.8 million tons. However, it was sharply lower than the 10 million tons in new orders that Japan reported in 1981. The Association of West European Shipbuilders (AWES) accounted for 2.3 million tons in new orders, down sharply from 4.1 million tons in 1981.

Overall exports among OECD shipbuilders fell 62 per cent last year to 3.3 million tons, while Japanese exports were down by almost 50 per cent to 2.8 million tons.

FRIENDS' PROVIDENT LIFE OFFICE

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND FIFTIETH ANNUAL GENERAL MEETING OF MEMBERS is appointed to be held at GLAZIER'S HALL, 9 MONTAGUE CLOSE, LONDON BRIDGE, LONDON, SE1 2ND, ON WEDNESDAY 11TH MAY 1983 at 2.30 p.m.

1. To receive the accounts for the year ended 31st December 1982 and the reports of the Directors and Auditors thereon.

2. To elect Directors.

3. To appoint Auditors and determine the basis of fixing their remuneration.

4. To propose, as special business, that the limit on the aggregate amount of the remuneration of the Directors be increased.

A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not also be a Member of the Office. The instrument appointing a proxy, a specimen of which is set out in rule 30 of the Rules of the Office, must be deposited at Fiskens End, Dorking, Surrey, RH41 9JA at least forty-eight hours before the time of the meeting. Proxy forms may be obtained on application to the Secretary.

Members intending to attend and vote personally at the meeting should be prepared to quote their policy number.

By Order of the Directors,
R. L. SHURER, Secretary

NOTE: A copy of the Annual Report and Accounts will be forwarded to any Member who makes application for one to the undermentioned address:

FRIENDS' PROVIDENT LIFE OFFICE
Fiskens End, Dorking, Surrey, RH41 9JA

Qualified support for gold coins

Washington - (AP-Dow Jones) - The Treasury has given support to legislation to mint new gold coins, although the department feels pricing provisions on the measure are "restrictive" and tax implications of the gold issues need more study.

Mr Manuel Johnson, Treasury assistant secretary, told the Senate Banking Committee that the proposed American Gold Eagle Coin Act of 1983 is a "logical follow-up" to 1974 legislation that restores the rights of Americans to hold and own gold.

Granville & Co. Limited

(Formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane London EC3R 8EB Telephone 01-821 1212

The Over-the-Counter Market

Company	Current Price	Change	High	Low	Open	Close	Volume	YTD	P/E	Dividend
4,498 Am Bld Ind Ord	135	+2	6.4	4.7	7.9	10.3				
151 Am Bld Ind CULS	151	+2	10.0	6.6						
3,589 Airgroup Corp	62	-	6.1	9.8	17.7	17.7				
750 Armington & Rhodes	30	-	4.3	14.3	3.3	3.9				
19,247 Borden Edell	815	-	11.4	1.6	13.2	16.7				
1,775 CCL 11.0% Conv Pref	142	+4	15.7	11.1						
3,320 Cridgen Corp	210	-	17.6	8.4						
4,024 Deborah Services	52	-	6.0	11.5	3.4	9.3				
2,483 Frank Horst	97	+3	-	-	8.1	8.7				
8,927 Frank Horst POrd87	95	+3	8.7	9.1	10.6	11.4				
627 Fredrick Parker	62	-	7.1	11.5	3.9	6.3				
3,249 George Blair	34	-	5.8	5.8	5.8	12.3				
3,249 Ind Proc Castings	80	+3	7.3	9.1	10.3	13.0				
3,864 Isis Conv Pref	161	+5	15.7	9.9	-	-				
3,593 Jackson Group	142	-	7.3	5.3	4.4	9.0				
28,431 James Burroughs	206	+2	9.6	4.7	18.0	16.7				
1,570 Robert Jenkins	154	+2	20.0	13.0	1.6	24.4				
3,660 Serentone "A"	71	+3	5.7	8.0	9.2	11.1				
2,782 Torday & Curdick	114	+2	11.4	10.0	5.1	8.7				
4,004 Unilock Holdings	25	-	0.5	1.8	-	-				
8,342 Walter Alexander	67	+2	6.4	9.6	4.8	6.9				
6,161 W. S. Yates	284	+2	17.1	6.5	4.0	8.4				

Prices now available on Preval, page 48146

CLIFFORD'S DAIRIES plc

MAIN POINTS OF 1982

- * Turnover up 10% to £61 million
- * Pre-tax profit £2.78 million
- * Total dividend up by 8% to 5.4p per share net
- * Continuing growth in cream, other dairy product and fruit juice sales
- * Over £4 million invested in new buildings, plant and vehicles

Four Years' Results	1982	1981	1980	1979
Turnover	£1,268	£5,894	£8,479	£1,638
Profit before taxation	2,774	3,300	2,156	2,279
Profit after taxation	2,383	2,448	2,480	1,731
Dividend -				
per share	5.4p	5.0p	4.0p	3.0p
times covered	2.5	4.0	5.1	5.9
Earnings per share	19.68p	20.13p	21.96p	17.21p

Copies of the Annual Report 1982, Accounting Statement and the Chairman's Statement may be obtained from the Secretary, Clifford's Dairies plc, 100 Victoria Road, Basingstoke, Hampshire, RG24 0AA.

This Offer for Sale includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Octopus Publishing Group Public Limited Company ("Octopus" or "the Company") and its subsidiary companies (together with Octopus "the Group" or "the Octopus Group"). The Directors of Octopus have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

Application will be made to the Council of The Stock Exchange for the Ordinary Shares of Octopus issued and now being issued to be admitted to the Official List. Copies of this Offer for Sale, together with the documents specified herein, have been delivered to the Registrar of Companies for registration.

OCTOPUS PUBLISHING GROUP PLC

OFFER FOR SALE BY TENDER — BY — N.M. ROTHSCHILD & SONS LIMITED — OF —

3,100,000 Ordinary Shares of 20p each at
a minimum price of 275p per share, the price tendered being
payable in full on application

Key Information

The following information should be read in conjunction with the full text of this Offer for Sale.

Business

The Octopus Group is an international business whose principal activity is the publishing of high quality colour illustrated books, primarily non-fiction, representing excellent value for money. The range of books published is wide, from home interest to natural history and general reference subjects.

Trading Record

The turnover and profit before taxation of the Octopus Group, taken from the Accountants' Report, are summarised below:

	Turnover	Profit before taxation
	1982	1982
Year ended 31st December, 1978	18,250	2,609
1979	21,779	1,184
1980	22,266	3,323
1981	24,476	3,323
1982	30,751	4,524

Offer for Sale Statistics at the Minimum Tender Price

Minimum tender price 275p

Market capitalisation of the 30,956,904 Ordinary Shares in issue following this Offer for Sale (being 70 per cent. of the issued equity share capital). This takes no account of the 4,695,816 unlisted Deferred Shares, being 30 per cent. of the issued equity share capital, £30.1 million. Price earnings ratio based on the earnings per share (calculated by reference to the Ordinary Shares and Deferred Shares in issue following this Offer for Sale) for the year ended 31st December, 1982:

after actual tax charge (21.2p per share)	13.0 times
after notional 52 per cent. tax charge (14.8p per share)	18.6 times

Net tangible assets of the Group £15.4 million

Net tangible assets per share attributable to each Ordinary Share and each Deferred Share in issue following this Offer for Sale 98p

Gross dividend yield on each Ordinary Share on the basis of the indicated level of dividend of 8p per share in respect of the year ended 31st December, 1982 4.2 per cent.

Dividend cover based on the Group profit after taxation but before extraordinary items for the year ended 31st December, 1982, the issued share capital following this Offer for Sale and the indicated level of dividend in respect of that year of 8p per Ordinary Share:

Cover (Ordinary Shares only ranking for dividend)	3.1 times
Cover (as if the Deferred Shares also ranked for dividend)	2.6 times

Introduction

The Octopus Group is an international business whose principal activity is the publishing of high quality colour illustrated books, primarily non-fiction, representing excellent value for money. The range of books published is wide, from home interest to natural history and general reference subjects, and Octopus has a catalogue of some 600 active titles in the English language. In its ten year publishing history, Octopus titles have been published in seventeen languages and total cumulative sales now exceed 110 million books.

In the U.K. the Group's book publishing activity is conducted through Octopus Books Limited ("OBL"). The Group also includes a book production company, Mandarin Publishers Limited ("Mandarin"), based in Hong Kong, and Tigerprint Limited ("Tigerprint"), based in London, which designs, produces and markets stationery products.

The shares of Octopus are at present owned by Paul Hamlyn, his family, his fellow Directors, and their related interests and by Group staff. The Directors consider that the Company is now of an appropriate size for its Ordinary Shares to be listed on The Stock Exchange. This will create a market for its Ordinary Shares and will, the Directors believe, enhance its reputation with customers and suppliers and promote a greater public awareness of its products. Following the Offer for Sale, Paul Hamlyn, his family and related interests will continue to own 63 per cent. of the issued Ordinary Shares and 85 per cent. of the issued Deferred Shares in the Company, representing in aggregate 69 per cent. of the total issued voting share capital.

Development of the Business

Octopus was formed in 1971 and Mandarin was established later in the same year to supervise production of Octopus books in the Far East.

Octopus launched its first publishing programme in 1972 with a list of 55 titles. Octopus adopted a business concept, new to the publishing industry at the time, in that the total programme was pre-sold, prior to printing, to exclusive distributors. This enabled the Group to minimise the administrative burden associated with the fragmentation of the retail book market. In these early years, the majority of sales was made to overseas customers, mainly in the U.S.A. The next two years saw a rapid expansion of the publishing programme and, by 1974, turnover exceeded £4 million.

Octopus had also recognised the considerable unexploited sales potential existing outside the traditional book trade. In particular, some two-thirds of the U.K. population are not regular purchasers of books. The key policy was therefore formed of selling books into high customer traffic flow areas such as multiple retailers and supermarket chains. Octopus approached a number of major retailers, including Marks & Spencer, which, following a successful test in 1975, began to sell, on a nationwide basis, books produced exclusively for it, with Octopus as its principal supplier.

A further significant development was the collaboration with Heinemann, which began in 1976, to publish a hardback series of collected editions of the works of famous twentieth century authors. This range includes selected works of E.E. Lawrence, Graham Greene and George Orwell. The series, which is sold at prices offering favourably with the prices of individual works in paperback, now covers over 50 authors and worldwide cumulative sales exceed 4 million copies.

In the same year, Octopus extended its business by licensing and producing foreign language editions of some of its titles and, in 1977, had already achieved sales to Europe well in excess of £2 million. At the same time, Mandarin was expanding its production of books for other publishers in Europe and Australia.

Based on the established success of the Marks & Spencer programme, the Company continued to develop the non-traditional book market both at home and overseas and, in 1978, achieved a further breakthrough with a successful test of a range of own brand books produced exclusively for J. Sainsbury. Programmes have also been created for major overseas retailers, such as K. Mart Corporation and Waldenbooks in the U.S.A. and G. J. Coles and Myer in Australia.

Share Capital

Authorized	Issued and now being issued fully paid
£2,800,000	£2,191,380.80
£1,200,000	£999,163.20
£4,000,000	£3,190,544.00

The Ordinary Shares now offered for sale rank in full for all dividends hereafter declared or paid on the ordinary share capital of Octopus.

The Deferred Shares rank *pari passu* with the Ordinary Shares except that they do not rank for any dividends paid or declared, before conversion into Ordinary Shares, in respect of any period ending on or before 31st December, 1986. Application is not being made for the Deferred Shares to be listed on The Stock Exchange. In 1987, each Deferred Share will be converted into one Ordinary Share and an application for the listing of all the Ordinary Shares arising on conversion will then be made by Octopus.

Indebtedness

On 31st March, 1983, the Group had no borrowings. On that date, the Group's bank balances, cash, short term deposits and marketable securities (at market value of £2.2 million) amounted to £8.4 million.

Apart from intra-group indebtedness, neither Octopus nor any of its subsidiaries had at the close of business on 31st March, 1983 any loan capital (including term loans) outstanding or created but unissued, mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, liabilities under acceptances (other than in respect of normal trade bills) or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities.

In 1980, the Directors decided that the creative, marketing and production skills of the Group could be used to develop and sell non-book products. Accordingly, a range of stationery was produced for Marks & Spencer on a test basis. The test was successful and, in 1981, Tigerprint was set up to develop the potential for these products. Since then, Tigerprint's sales have grown rapidly and, although originally based on one customer, both the range of products and, more recently, the customer spread have now been broadened.

In 1981, the Group decided to exploit the potential of the foreign language market in Central and South America and, in 1982, commenced operations by sales of books through a joint venture in Mexico. This venture was successful in publishing and sales terms, but not profitable for the Group because of successive devaluations of the peso and the imposition of import and exchange controls by Mexico.

Also in 1981, steps were taken to develop the significant sales opportunities for republishing books from the backlist of Octopus and other publishers and marketing them at highly competitive prices. Accordingly a new division of the Group, Bounty Books, was created. Its launch was successful and its business expanded rapidly in 1982 and continues to do so.

In just twelve years, Octopus' combination of publishing flair and marketing expertise, supported by tightly controlled purchasing, production and management systems, has enabled it to become one of the leading hardback trade book publishers in the English language.

Business

Publishing

The creative ability of the Company's publishing department is an essential factor in the Group's success. Octopus has consistently demonstrated an ability to identify subjects of wide popular and international appeal and to publish attractive books which generate a high level of consumer demand. Over 75 per cent. of the Group's active titles are colour illustrated and it is the policy of the Group to invest in the origination of colour material, particularly in home interest subjects such as cookery. Over 10,000 colour illustrations were created in 1982 alone. To date the Company has created over 1,000 original titles, the majority of which consist of wholly-owned material, together with a library of some 48,000 colour photographs and artworks. This has involved an editorial investment, including colour origination, of some £10 million, wholly written off under the Group's accounting practice, and has created a reserve of material with considerable revenue potential for future years.

The planning of the Octopus publishing programme is a continuous process and is designed to achieve a release of new titles throughout the year. The initial idea for a title, or series of titles, is usually generated from within the Company, sometimes in conjunction with suggestions from customers. Following an analysis of the market for a projected title, a specific publishing proposal is produced including, *inter alia*, research on the retail price and content of existing books on the subject, a synopsis of editorial content and a recommendation as to its production format. This proposal is refined in discussion with the Directors and other key staff and account is taken both of the desire to achieve sales internationally from a range of customers and distributors and of reprint potential. A projected gross margin is calculated and, if satisfactory, a decision is taken to proceed with preparatory work on that title or series. Final printing commitments are made only when firm orders have been obtained from the principal customers for any given title or series.

In 1982, Octopus published some 200 new titles and new editions. The breakdown by category of the current active range of English language titles can be summarised approximately as follows:

	per cent.
Cookery	30
Fiction	14
Children's Books	10
Natural History	10
General Interest	10
Crafts and Hobbies	9
Transport and Military	8
Gardening	7
Health and Beauty	2
	100

Directors

Paul Bertrand Wolfgang Hamlyn	Chairman
Susan Mary Thomson	Executive Director
Timothy Hugh Bruton Clode	Managing Director
Gordon Henry Cartwright, FCA	Finance Director
Robert Gavron	Non-Executive Director
Sir Claus Moser	Non-Executive Director

all of 59 Grosvenor Street, London W1.

Secretary and Registered Office

Barry Gillions, FCA
59 Grosvenor Street, London W1

Issuing House

N. M. Rothschild & Sons Limited
New Court, St. Swithin's Lane, London EC4

Stockbrokers

Rowe & Pitman
City-Gate House, 39-45 Finsbury Square,
London EC2

Auditors and Reporting Accountants

Coopers & Lybrand
Chartered Accountants
Abacus House, Gutter Lane, London EC2

Solicitors to the Company

Titmuss, Sainer & Webb
2 Serjeants' Inn, London EC4

Solicitors to the Offer

Linklaters & Paines
Barrington House, 59-67 Gresham Street,
London EC2

Receiving Bankers

National Westminster Bank PLC
New Issues Department, P.O. Box 79,
Drapers Gardens
12 Throgmorton Avenue, London EC2

Bankers

National Westminster Bank PLC
208 Piccadilly, London W1
The Chartered Bank
4-4a Des Voeux Road, Central, Hong Kong

Registrars and Transfer Office

Ravenbourne Registration Services Limited
Bourne House, 34 Beckenham Road,
Beckenham, Kent

Production

The Group's production policy is to concentrate manufacturing in a limited number of centres around the world including the Far East, U.K., Europe and America, and to develop long term relationships with suppliers. The Group owns no factories so that all physical production requirements are fulfilled through bought-in services. Octopus books are generally produced in a range of standard formats which enables economies to be achieved in production, including the purchase of paper, and allows more precise forecasts of costs to be made.

The retail book trade is seasonal with a high proportion of annual sales to the public in the pre-Christmas period. This requires effective forward planning and control of the annual publishing and production programmes on the part of Octopus to ensure to the best of its ability both that delivery deadlines are met and that utilisation of printing capacity is spread as evenly as possible throughout the year. However, since the printing of all of Octopus' programme is only undertaken against firm orders, the majority of Octopus' sales are protected to a degree, subject to timely delivery, against the unpredictability of the Christmas retail market.

Books representing approximately two-thirds of the Group's turnover are printed in the Far East, the substantial majority by a small number of selected Hong Kong printers, under the supervision of Mandarin which, wherever possible, negotiates annual arrangements with them on volume and price. Although Mandarin was initially established to serve Octopus, its close relationships with local printing firms and its involvement with high quality printing production have enabled it to establish itself as a supplier to other publishers, to which it now makes approximately one-third of its sales. The influence which Mandarin exercises enables it to provide close supervision on behalf of its customers to ensure a high level of quality control.

Paper, which represents approximately 40 per cent. of the production cost of a book, is provided by the Group to most of its printers. Substantial stocks of all main grades of paper are maintained, purchase orders being given up to a year in advance of expected utilisation. The large volumes of paper used give the Group a certain degree of buying power which helps it to obtain consistently high quality paper at competitive prices.

Marketing

The main channels for marketing the Group's products are through sales to book trade distributors including foreign publishers and book clubs (representing, in 1982, approximately 45 per cent. of Group turnover) and major retailing organisations (approximately 40 per cent.). Marketing policy is controlled by the Managing Director, working in close conjunction with the English and foreign language marketing executives. The Company has subsidiaries in the U.S.A. and Australia which render marketing and other services to it and which also publish books in their own right. In addition, sales by Mandarin to third party publishers represented, in 1982, approximately 15 per cent. of Group turnover.

Sales of English language books to the book trade are made through an international network of trade distributors (including W. H. Smith Distributors and Bookwise in the U.K., Gordon and Gotch in Australasia and Doubleday in Canada). The publishing programmes for these distributors are planned and pre-sold in advance of printing after a continuous and close liaison between Octopus' marketing and publishing departments. Octopus' marketing staff also work closely with its distributors with a view to ensuring the successful promotion of its books at the point of sale. Octopus participates with them in jointly funded advertising campaigns and provides merchandising units which are now widely installed in retail outlets.

Complementary to the distribution network are the relationships which Octopus has with key retailers throughout the world for whom Octopus has developed exclusive publishing programmes. These retailers include major store chains in the U.K., U.S.A. and Australia (including Marks & Spencer, K. Mart U.S.A. and K. Mart Australia), leading supermarket chains in the U.K. and Australia (including J. Sainsbury and G. J. Coles) and the principal book chains of the U.S.A. and Canada (for example B. Dalton Booksellers, Waldenbooks, Coles and Classics). Again, these programmes are planned in consultation with the customers well in advance of production.

OCTOPUS PUBLISHING GROUP PLC (Continued)

The more recent diversification into stationery products has been achieved through these retail outlets. Marks & Spencer is the Group's largest single customer for books and it was also the first, and is still the principal, customer for the stationery products sold by Tigerprint. In 1982, book and stationery sales to Marks & Spencer accounted for nearly one quarter of Group turnover.

Foreign language editions are handled mainly through major overseas publishers who translate and publish books supplied by Octopus. In the French language, for example, Octopus operates mainly with Librairie Grun and through Compagnie Internationale du Livre S.A., a joint company with Hachette. Substantial sales have also been made in the German, Dutch and Spanish languages. Sales are also made to English and foreign language book clubs, including the largest book club organisation in the U.K., Book Club Associates.

The international spread of the Group's sales is demonstrated by the following table showing its 1982 sales profile:

	Group sales	
	£'000	per cent
U.K.	18,508	60
North America	4,459	15
Europe (excluding U.K.)	3,509	11
Australasia	2,713	9
Central & South America	753	2
Elsewhere	809	3
	30,751	100

Directors, Management and Staff

The overall strategic control of the Group lies with the Octopus board, while the management of the business on a day to day basis takes place at subsidiary board level.

Directors of Octopus

Paul Hamlyn, aged 57, has been Executive Chairman of Octopus since its formation and is closely involved in all aspects of the business. He has been in the book trade for almost all his working life. In 1950, he founded the publishing company which was sold to International Publishing Corporation Limited ("IPC") in 1964 and which subsequently became Hamlyn Publishing Group Limited ("Hamlyn"). He left IPC in 1970, since when he has had no connection with Hamlyn. Whilst a Director of IPC, he was responsible for its general book publishing division and was also the originator, together with EMI, of Music For Pleasure. He is Chairman of OBL, Mandarin and Tigerprint and is a Non-Executive Director of TV-AM Limited and of News International plc.

Susan Thomson, aged 44, is a part-time Executive Director and a Director of Mandarin. Having spent four years at Hamlyn, she joined Octopus in 1971 as its Managing Director, a post which she held until 1977, and was particularly involved during this period with the setting up of Mandarin. Her current responsibility is personally to assist the Chairman in the development of the business.

Timothy Clode, aged 36, is Managing Director of Octopus, OBL and Tigerprint and President of Octopus Books Incorporated. He joined Octopus in 1973 from the Financial Times where he was Advertising and Marketing Development Manager and was appointed Managing Director of Octopus in 1974. Deputy Managing Director in 1976 and Managing Director in 1977. He retains direct responsibility for the Group's relationship with Marks & Spencer and overall responsibility for overseas English language sales. On 30th March, 1983 the Company entered into a seven year agreement for his full time services.

Gordon Cartwright, FCA, aged 59, is Finance Director and a Director of Mandarin. He joined the Company in 1977, having previously been Finance Director of IPC and, for a short period, Director of Strategy of Reed International P.L.C. His responsibilities include Group financial planning and the supervision of the treasury function. He is also a Non-Executive Director of Provident Financial Group PLC.

Robert Gavron, aged 52, has been a Non-Executive Director since 1975. He is Chairman and controlling shareholder of St. Ives Group Limited, one of the principal U.K. printers used by Octopus, and of The Folio Society Limited. He is also a Non-Executive Director of Electra Risk Capital P.L.C.

Sir Claus Moser, aged 60, became a Non-Executive Director in 1982. He is a Vice-Chairman of N. M. Rothschild & Sons Limited, having previously been Head of the Government Statistical Service. He is also a Director of The Economist Newspaper Limited.

Management

The Directors of the Company's major subsidiaries comprise the heads of the Group's operating departments and their experience demonstrates the strength of the Group's management.

OBL

Ronald Setter, 43, has been Publishing Director since 1971 and is one of the founding members of the Octopus management team. He has spent his career in the publishing industry and prior to joining Octopus was publishing manager of the general books division of Hamlyn.

Peggy Singleton, 56, is U.K. Marketing Director and General Manager of the marketing department. She joined Octopus in 1973, having previously been an executive in the sales department of Hamlyn, and was appointed to the board of OBL in 1979.

Derek Freeman, 39, is Production Director. He joined Octopus in 1974 as Production Manager. He became General Manager 18 months later and was appointed Production Director of OBL in 1979. In addition, he is responsible for the management of Tigerprint with Timothy Clode and Lauretta Dives, its Development Director.

David Kemp, FCA, 35, is Finance Director. He joined Octopus in 1979 from Coopers & Lybrand as Group Financial Controller. In 1980 he was appointed Finance Director of OBL and is responsible for computer operations and the distribution function.

Barry Gillions, FCA, 44, the Company Secretary of Octopus, has been a Director of OBL since 1980. He joined the Company in 1972 and is also responsible for personnel and administration.

Mandarin

Geoffrey Clode, 40, has been Mandarin's Managing Director since its formation in 1971 and is a Director of OBL. He has had extensive experience in the Hong Kong printing industry having lived there and worked in close conjunction with local printers since 1968. He has recently entered into a seven year service contract with Mandarin.

David Mardin, 37, became Development Director in 1980 with particular responsibility for financial matters and computer systems and is a Director of OBL. He joined Octopus in 1972 from Hamlyn and was Finance Director of OBL until 1980.

Norman de Brackingshe, 48, was appointed Mandarin's Technical Director in 1981 and has primary responsibility for quality control. He joined in 1976 as Quality Controller after seven years with Hamlyn.

In addition, Mandarin has a Non-Executive Director, Harry King, who was, until his recent retirement, a prominent practising accountant in Hong Kong.

Staff

The Group staff profile can be summarised by location and responsibility as follows:

	London	Overseas	Total
Publishing	53	—	53
Production and distribution	32	45	77
Marketing	22	5	27
Finance and administration	49	24	73
Other	6	—	6
Directors of Octopus and its subsidiaries	162	74	236
	10	4	14
	172	78	250

Note: Of the 74 staff employed overseas, 68 are located in Hong Kong.

Octopus has consistently sought to employ staff of the highest calibre at all levels and has attempted throughout the Group to provide salaries, working conditions and benefits which are above the industry's average. Staff relations are good.

The London staff and Executive Directors are covered by the State pension scheme, the benefits of which are enhanced by a contributory pension scheme to which the employer contributes 19 per cent. of members' earnings. Mandarin operates a contributory retirement benefit scheme for staff in Hong Kong.

Group staff also benefit from a variety of incentive schemes. A profit sharing scheme and a savings-related share option scheme are available to all U.K. staff and the newly introduced executive share option scheme will enable the Group to give additional incentives to selected executives including those working overseas. Senior U.K. personnel and the Executive Directors of overseas subsidiaries are also eligible to receive profit improvement bonuses related to the rate of return earned on capital employed in the trading operations of the Group.

Financial Results

Business Features

Although the pattern of the business requires a much higher level of working capital in the period from May to October than during the rest of the year, the Group has not, since 1980, had to resort to borrowing to finance its working capital requirement. The Group invests its surplus funds, after consultation with advisers, in cash deposits and marketable securities denominated in a spread of foreign currencies and in sterling. Any gain or loss in the value of such marketable securities is taken into the profit and loss account each year.

It is a feature of the Group's business that a significant proportion of both its costs and revenues arise overseas or are denominated in foreign currencies. While the amounts are now broadly equal, the foreign currencies in which the costs are incurred are generally different from those in which the sales are made and thus the Group's profitability is likely to be influenced by relative movements of currency exchange rates and by the Group's active management of its currency position.

The Group's effective tax rate has been lower than the U.K. rate of corporation tax largely as a result of the availability of stock relief in the U.K. and lower prevailing tax rates on profits of its Hong Kong subsidiaries.

Profit Record

The following table, which is based on information extracted from the Accountants' Report, summarises the results of Octopus and its subsidiaries (on the historical cost basis) for the five years ended 31st December, 1982:

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
Turnover	18,260	21,779	22,366	24,476	30,751
Operating profit	2,672	1,449	1,501	3,339	4,042
Net interest and investment income	(63)	(265)	(179)	494	782
Profit before taxation	2,609	1,184	1,322	3,833	4,824
Taxation	(547)	(238)	(127)	(779)	(1,508)
Profit after taxation but before extraordinary items	2,062	946	1,195	3,054	3,316

Earnings per Ordinary Share and Deferred

Share as set out in paragraph 11 of the Accountants' Report

13.3p 6.1p 7.7p 19.6p 21.2p

Over its ten year trading history, the Group has grown rapidly and by 31st December, 1982 had achieved an annual turnover of over £30 million and had accumulated net tangible assets of over £15 million.

The Group's profit before taxation increased in each year up to 1978. Throughout the period, inflation was running at a high level and consequential paper stock holding gains were reflected in the results.

In 1979 and 1980, however, the Group's profits were reduced by the effects of the recession on the U.K. book publishing industry generally and the marked strength of sterling which adversely affected margins in the Group's principal export territories. In addition, there was a fall in public demand, partly as a result of resistance to higher prices, for the simpler style of colour illustrated books, published in the English language, which had previously contributed significantly to sales and profits.

In these circumstances, the Directors responded to the adverse conditions by strengthening the Group's management systems and reviewing its approach to foreign exchange cover. In addition, they changed the Group's publishing policy to give greater emphasis to more authoritative books requiring increased editorial content and investment. Because the Group writes off its investment in each new title against the first print run, this change initially contributed to a reduction in profits, but, together with the other actions taken by the Directors, provided the base for the Group's subsequent success.

By 1981, customer demand for reprints of Octopus books began to increase and also in that year the Bounty book programme was successfully launched. The results therefore began to reflect the benefits of the change made some two or three years earlier in the Group's publishing policy. The Group was also assisted by improving its liquidity position which, at a time of high interest rates, had a beneficial effect on its net interest and investment income. In addition, the Group benefited substantially from the effect of the movements in currency rates in that year.

In 1982, foreign currency receipts and costs were broadly covered by forward contracts and, in contrast to 1981, foreign exchange fluctuations, except for those in Mexico, had little impact on trading profit. Nevertheless, the increased sales and higher margins achieved by the Group in its English language markets, particularly as a result of increased demand for reprints, contributed to an improvement in both turnover and in profits before tax of 26 per cent.

On the basis of the results for the year ended 31st December, 1982 and the issued share capital following the Offer for Sale, the Directors of Octopus would have recommended a total dividend of 8p per Ordinary Share in respect of the year ended 31st December, 1982 had the Company's Ordinary Shares been listed. This would, at current tax rates, represent a gross yield of 4.2 per cent. on the minimum tender price of 275p and would have been covered 3.8 times by Group profit after taxation but before extraordinary items. Had the Deferred Shares also ranked for dividend, the cover would have been 2.6 times.

It is intended that dividend payments will be apportioned approximately as to one-third and two-thirds between an interim dividend payable in October and a final dividend payable in May of each year. The Ordinary Shares now being offered for sale will first rank for an interim dividend payable in October, 1983.

In previous years Paul Hamlyn has waived dividends on part of his shareholding in the Company. In view of his holding of Deferred Shares, he no longer intends to do so.

Current Trading and Prospects

In 1981 and 1982, Octopus' principal customers achieved a marked and consistent improvement in the ratio of sales to stock of Octopus books, a factor which was a major contributory cause to the significant uplift in reprint revenue in those years. This year began with a low level of customer stocks, which provides a sound basis for growth.

The Directors consider that it is inappropriate, at this early stage in the year, to make a profit forecast. However, confirmed orders from customers for the 1983 publishing programme have so far been received earlier and for higher values than at the corresponding times last year. This supports the Directors' view that there will be a successful outcome to the current year.

The principal objectives of the Group beyond this year are to increase the Company's share of the U.K. retail book market, currently worth in excess of £400 million, and to continue to create new mass market outlets for its books and stationery products.

The Group is also confident of expanding its export sales, particularly in North America, where the retail book market is worth £2 billion, and in Australasia.

It is also the policy of the Group to apply its creative talents to the rapidly expanding gift and leisure ranges of its key growth orientated retail customers throughout the world, having already demonstrated its ability to develop successful new ranges of books, stationery and other related products for these customers.

The Directors view the Group's future with confidence and believe it has the necessary financial, managerial and financial resources to build on its recent growth.

Accountants' Report

The Directors of Octopus Publishing Group Plc ("the Company") and its subsidiary companies (together called "the Group") from 1st January, 1978, or subsequent date of incorporation, to 31st December, 1982. Details of subsidiary companies are provided in the Schedule following this report.

2. We have been auditors of the Group in respect of all the above accounting periods. We are not the auditors of the associated company, the results and net assets of which are included in the Group financial statements and are set out in the material.

3. The Company was incorporated on 19th February, 1971 as Paul Books Limited and on 28th July, 1971 its name was changed to Octopus Books Limited. With effect from 1st January, 1979, Octopus Books Limited changed its name to Octopus Publishing Group Limited and the Company was re-registered as a public limited company on 22nd April, 1983.

4. With effect from 1st January, 1979 the Group acquired all the issued share capital of Mandarin Publishers Limited ("Mandarin") which it did not already own. Prior to this the 10 per cent. of the issued share capital of Mandarin, Mr. P. B. W. Hamlyn had owned a controlling interest and several Directors of Octopus and Mandarin had owned directly or indirectly the remaining shares. For the purposes of this report, Mandarin has been treated as a wholly-owned subsidiary since 1st January, 1979. On 28th October, 1982 Mandarin disposed of its 50 per cent. interest in an associated company, Unicorn Books Limited, which was incorporated in Hong Kong on 28th June, 1973 and was a wholly-owned subsidiary of Mandarin until 30th June, 1981.

5. The accounting date for all the companies in the Group is now 31st December. The accounting date of Mandarin and its subsidiary companies, which originally was 30th September, became co-terminous with that of the Company with effect from the year commencing 1st January, 1980.

6. The financial information set out in this report is based on the audited accounts of the relevant companies after making such adjustments to the audited accounts as we consider necessary.

7. In our opinion, the financial information set out below under the heading "Historical cost accounts" gives a true and fair view of the profit and source and application of funds for the years stated and of the state of affairs of the Company and of the Group at 31st December, 1982 according to the historical cost convention as explained in the accounting policies.

8. In our opinion, the summarised current cost information set out below under the heading "Current cost accounts" for the two years ended 31st December, 1982 has been properly prepared in accordance with the policies and methods set out in this report to give the information required by Statement of Standard Accounting Practice No. 16.

9. The accounts prepared under the historical cost convention are set out in paragraphs 10 to 13 below.

10. The significant accounting policies adopted in arriving at the financial information set out in this report are as follows:

(a) Accounting conventions and basis of consolidation

The consolidated financial information in this report has been prepared under the historical cost convention and includes the audited accounts as at 31st December each year of the Group in its present form comprising the Company and all of its subsidiaries. For the purposes of the Group accounts and this report, the results and net assets of Mandarin and its subsidiary companies for the two years ended 31st December, 1978 and 1979 are based on audited special financial statements for the period to 31st December in each of those years.

(b) Foreign currencies

Monetary assets, stocks realisable within one year and liabilities denominated in foreign currencies are translated either at contractual rates of exchange where forward currency commitments have been entered into or at the rate of exchange ruling on the balance sheet date ("closing rate"). Other foreign currency assets, unless covered by foreign currency borrowings, are translated at the rate ruling at the date of the transaction.

All exchange gains and losses are included in profit before tax, except where foreign currency borrowings are used to finance or provide a hedge against a foreign currency equity investment or fixed assets. In these circumstances, the translation differences which arise on the assets and borrowings are offset in reserves.

(c) Turnover

Turnover represents sales to third parties being:

(i) the sale of books and stationery products at invoice value less discounts, allowances and returns;

(ii) royalties received and earned; and

(iii) sales of printed material at invoice value.

Book sales and stationery sales are not recognised until delivery to, and acceptance by, customers.

(d) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes relevant editorial and production overheads.

(e) Depreciation

Depreciation is provided on the cost of fixed assets on a straight line basis over their expected useful lives.

The principal rates adopted are as follows:

Computers and office equipment 20%

Furniture and fittings 15%

Motor vehicles 25%

Short leasehold property is written off over the period of the lease.

(f) Marketable securities

Marketable securities are stated at market value. Income from, and realised and unrealised gains or losses on, such securities are recorded in investment income.

(g) Deferred taxation

Deferred taxation is provided on the liability method for all timing differences except to the extent that the timing differences are expected to continue for the foreseeable future.

Profit and loss account

11. The consolidated profit and loss accounts for the five years ended 31st December, 1982 are set out below:

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
Turnover	18,260	21,779	22,366	24,476	30,751
Cost of sales	15,588	20,330	20,865	21,137	26,709
Operating profit	2,672	1,449	1,501	3,339	4,042
Interest payable	(96)	(325)	(513)	(77)	(47)
Investment income	33	64	136	566	89
Profit before taxation and extraordinary items	2,609	1,184	1,322	3,833	4,824
Taxation	(547)	(238)	(127)	(779)	(1,508)
Profit after taxation	2,062	946	1,195	3,054	3,316
Extraordinary items	(—)	(—)	(—)	(—)	(884)
Profit attributable to shareholders	2,062	946	1,195	3,054	2,432
Dividends	(—)	14	34	136	291
Profit retained	2,062	932	1,346	2,918	2,341

Debt with in the accounts of:

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
The Company	497	245	558	1,125	599
Subsidiaries and associated companies	2,067	932	1,346	2,918	2,341
Earnings per share (national fully diluted)	19.6p	8.7p	11.0p	28.0p	30.3p
Movements on reserves	2,272	7,239	7,309	8,855	11,773
Reserves at beginning of period	2,057	932	1,346	2,918	2,341
Reserves capitalised by way of bonus issue of shares	(—)	(753)	(—)	(—)	(1981)
Reserves at end of period	2,329	7,509	8,855	11,773	15,133

Name of Turnover may be summarised as follows:

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
Publishing	16,012	18,552	19,743	20,628	23,860
Non-group print production	2,348	3,227	2,555	2,755	4,473
Other products	(—)	(—)	269	1,113	2,418
	18,260	21,779	22,366	24,476	30,751

(B) Operating profit

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
Depreciation	113	140	142	176	197
Auditors' remuneration	19	25	33	43	53
Additional pension fund contributions	128	131	168	238	236

(c) Material change in accounting policy

For the year ended 31st December, 1982 the Group changed its accounting policy for the translation of foreign currencies to that described in paragraph 10 (b). Previously, changes in exchange rates which affected foreign based assets, investments and related loans, and the balance sheet values of the operating cost assets of overseas Group companies were dealt with in the profit and loss account as extraordinary items. The Group results from 1st January, 1978 above are shown on the basis of the new accounting policy. The exchange differences which, under the previous accounting policy would have been included in extraordinary items, are as follows:

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
Translation (foreign) gains	(203)	(280)	(380)	547	240

(d) Taxation

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
United Kingdom corporation tax	458	20	(85)	517	1,183
Overseas taxation including withholding taxes	89	218	177	236	272
Deferred taxation	(—)	(—)	35	36	91
	547	238	127	779	1,508

Amounts by which taxable profits have been reduced by such relief

	1978	1979	1980	1981	1982
	£'000	£'000	£'000	£'000	£'000
1,648	648	751	685	401	

(e) Extraordinary items

These comprise the following and where relevant are stated net of taxation:

	1980	1980	1980	1980	1980
Profit, net of taxation, on sale of property	—	—	245	—	—
Profit, net of taxation, on sale of shares in associated company	—	—	—	—	89
Provision against cost of investment	—	—	—	—	(773)
	—	—	245	—	(684)

OCTOPUS PUBLISHING GROUP PLC (Continued)

Notes:
(a) Fixed assets
The fixed assets at 31st December 1982 were made up as follows—

The Company			The Group		
Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
£'000	£'000	£'000	£'000	£'000	£'000
19	15	4	19	15	4
750	424	326	1,091	566	525
769	439	330	1,110	581	529

At 31st December, 1982, capital expenditure for a subsidiary company had been authorised, but not contracted for, amounting to £150,000 (nil for the Company).

(b) Investments
The investments at 31st December, 1982, which are stated at cost less amounts written off, may be summarised as follows—

The Company		The Group	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
104	131	104	131
299	299	299	299
84	84	84	84
487	514	487	514

Details of the associated company are set out in the Schedule to this report.

At 31st December, 1982, the aggregate market value of listed investments was £300,000. Included in unlisted investments is an investment in TV-AM Limited as follows—

The Company		The Group	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
130	130	130	130
643	643	643	643

Provision

Since the Directors are unable to determine the precise value of the investment in TV-AM Limited in the present circumstances, they have considered it prudent to write down the Company's investment to £1.

(c) Marketable securities
The Company's marketable securities, all of which are held by the Company, are listed and are held for the short term. They are stated at market value which, at 31st December, 1982, represented cost of £210,000.

(d) Issued share capital
The issued share capital of the Company at 31st December, 1982, was as follows—

The Company		The Group	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
1,540,228	1,540,228	1,540,228	1,540,228
673,020	673,020	673,020	673,020

Since 31st December, 1982, the share capital of the Company was altered as set out in paragraph 1(v) of the Secretary and General Information section of the Offer for Sale prospectus dated 14th April, 1983.

Following this Offer for Sale the issued share capital of the Company will be as follows—

The Company		The Group	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
10,956,904	10,956,904	10,956,904	10,956,904
4,695,816	4,695,816	4,695,816	4,695,816

(e) Deferred taxation
The provisions made for deferred taxation at 31st December, 1982, which represents the full potential liability, is as follows—

The Company		The Group	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
104	104	104	104
15	15	15	15
(82)	(82)	(82)	(82)
41	41	41	41

No provision has been made for the taxation liability estimated at 31st December, 1982, as £2.6 million, which would arise if the reserves of overseas subsidiaries were to be distributed as dividends to the Company.

Current cost accounts

14 The current cost accounts, which are in summarised form, have been prepared by reference to current cost principles in conformity with SSAP 16. Except where adjusted to comply with SSAP 16, the accounting policies used in preparing the historical cost accounts have been adopted in the current cost accounts.

15 The current cost operating profit is the surplus, before interest and taxation arising from the ordinary activities of the business. It is arrived at by making adjustments to the profit determined under the historical cost convention in order to allow for the impact of specific price changes on the financial results of the business.

16 No gearing adjustment is made as the Group was not a listed company.

17 In the balance sheet, fixed assets and stocks are included at their current cost (net of depreciation on fixed assets).

Current cost profit and loss accounts

18 The consolidated current cost profit and loss accounts for the two years ended 31st December, 1982 are set out below—

	Year ended 31st December 1981	Year ended 31st December 1982
Turnover	£'000	£'000
Operating profit under the historical cost convention, before interest	8,476	8,476
Current cost operating adjustments	(4,042)	(4,042)
Current cost operating profit	4,434	4,434
Interest payable	(56)	(56)
Income from listed investments	629	629
Current cost profit before taxation	4,927	4,927
Taxation	(1,508)	(1,508)
Current cost profit after taxation	3,419	3,419
Extraordinary items	(884)	(884)
Dividends	2,227	2,227
Current cost profit retained	2,136	2,136
Current cost earnings per share calculated fully diluted	25.9p	25.9p
	17.5p	20.9p

Notes:
(a) Current cost operating adjustments
The current cost operating adjustments are made up as follows—

Year ended 31st December 1981		Year ended 31st December 1982	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
104	104	104	104
(82)	(82)	(82)	(82)
41	41	41	41

Cost of sales
Monetary working capital

Depreciation

Current cost operating adjustments

Monetary working capital (includes debentures and cash balances less creditors)

(b) Earnings per Share
The calculations of current cost earnings per share have been based on the current cost profit after taxation but before extraordinary items and on the number of shares as set out in paragraph 1(d) above.

Current cost balance sheet

19 The summarised consolidated current cost balance sheet at 31st December, 1982 is set out below—

Year ended 31st December 1981		Year ended 31st December 1982	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
1,351	774	1,351	774
1,384	808	1,384	808

Share capital and share premium

Current cost reserve

Retained profits

Deferred taxation

Notes:
(a) Fixed and leased assets
The gross current cost of leasehold properties, motor vehicles, office equipment and furniture and fittings has been derived by applying appropriate government indices to the historical cost.

Total depreciation charged in the current cost profit and loss account is calculated to reflect the proportion of the current cost of fixed and leased assets consumed in the period.

The fixed assets at 31st December, 1982 were made up as follows—

Year ended 31st December 1981		Year ended 31st December 1982	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
1,351	774	1,351	774
1,384	808	1,384	808

Short leasehold

Motor vehicles, office equipment, furniture and fittings

(b) Investments on reserve
The current cost reserve is made up as follows—

Year ended 31st December 1981		Year ended 31st December 1982	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
23	23	23	23
306	306	306	306
329	329	329	329
(63)	(63)	(63)	(63)

Monetary working capital adjustment

Balance at 31st December, 1982

Audited accounts

20 No audited accounts for any company in the Group have been prepared in respect of any period subsequent to 31st December, 1982.

Years truly

Company A Limited

Chartered Accountants

Schedule to the Accounts Report

Subsidiary and associated companies

Company	Date of incorporation	Country of incorporation	Nature of business	Issued Share Capital	Percentage of issued Capital Held
Subsidiaries					
Octopus Books Limited	20th November, 1978	England	Agent for Octopus	£100	100
Timeprint Limited	23rd January, 1980	England	Stationery production	£2	100
Bounty Books Limited	2nd May, 1980	England	Dormant	£2	100
Homeview Limited	29th December, 1972	England	Dormant	£2	100
Hammerwood Publications Limited	21st June, 1974	England	Dormant	£2	100
Marvelprint Limited	24th January, 1977	England	Dormant	£28,400	100
Octopus Records Limited	19th February, 1971	England	Dormant	£2	100
Pegasus Production Services Limited	12th October, 1982	England	Dormant	£100	100
Summit Publications Limited	15th August, 1973	England	Dormant	£101	100
Mandarin Publishers Limited	21st December, 1971	Hong Kong	Dormant	HK\$12,181,820	100
Mandarin Office International Limited	28th December, 1978	Hong Kong	Dormant	HK\$2	100
Mandarin Office Marketing (Hong Kong) Limited	28th November, 1974	Hong Kong	Sales company	HK\$10,000	100
Pegasus Products Limited	15th October, 1982	Hong Kong	Dormant	US\$30	100
Octopus Books Incorporated	28th December, 1973	U.S.A.	Publishing and service company	US\$100,000	100
Octopus Books Pty. Limited	27th July, 1956	Australia	Publishing and service company	A\$100,000	100
Octopus Books International BV	15th February, 1973	Netherlands	Dormant	DFP 700,000	100
Octopus Books Pension Trustee Limited	30th March, 1978	England	Trustee	—	—
Associated Companies					
Compagnie Internationale du Livre S.A.	24th August, 1979	France	Book publishing	FFP 500,000	50

Notes: (i) All the above companies are private companies.
(ii) Octopus Books Pension Trustee Limited is a company limited by guarantee.

Statutory and General Information

Terms defined elsewhere in this Offer for Sale bear the same meanings in this information section.

Share Capital

1 The Company was incorporated in England as a private company under the name Paul Books Limited on 19th February, 1971 as a subsidiary of News International Limited. It ceased to be a subsidiary on 23rd December, 1971. The name of the Company was changed to Octopus Books Limited on 8th July, 1971 and to Octopus Publishing Group Limited on 1st January, 1979. It was re-registered as a public limited company on 12th April, 1983.

Immediately following this Offer for Sale, the share capital of the Company will be as follows—

Issued and new shares		Total issued and new shares	
Cost	Net book value	Cost	Net book value
£'000	£'000	£'000	£'000
1,540,228	1,540,228	1,540,228	1,540,228
673,020	673,020	673,020	673,020

Without the prior approval of the Company in General Meeting—

(i) no material issue of shares will be made within 12 months from the date hereof (save to shareholders pro rata to existing shareholdings); and

(ii) no issue of shares will be made which would effectively alter the control of the Company.

The Directors are authorised to alter relevant securities (as defined in section 14 of the Companies Act 1980) up to an aggregate nominal amount of £200,000 each authority to expire at the next Annual General Meeting of the Company, and to allot equity securities (as defined in Section 17 of the Act) as if Section 17(1) did not apply to such allotment.

Save as disclosed in sub-paragraph (vi) below, no unissued share or loan capital of the Company or of any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.

Except for the issues of, or changes in, the share capital of the Company set out below, no share or loan capital of the Company or any of its subsidiaries has been issued (save to other members of the Group) within the two years immediately preceding the date hereof or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash.

At 14th April, 1983, the authorised share capital of the Company was £1,600,000 divided into 660,000 Ordinary Shares of £1 each, of which 311,075 were issued fully paid or credited as fully paid (including 945 Ordinary Shares issued under the Profit Sharing Scheme referred to in paragraph 9 below), 740,000 10 per cent. Cumulative Preference Shares of £1 each of which 673,020 were issued fully paid or credited as fully paid and 200,000 Unissued Shares of £1 each, none of which were issued.

(i) On 20th August, 1981, 1,186 Ordinary Shares of £1 each were issued for cash under the Profit Sharing Scheme.

(ii) On 30th May, 1982, the authorised share capital was increased from £1,000,000 to £1,600,000 by the creation of 400,000 Ordinary Shares of £1 each and 512,261 Ordinary Shares of £2 each were issued by way of capitalisation of reserves.

(iii) On 18th August, 1982, a further 2,397 Ordinary Shares of £1 each were issued for cash under the Profit Sharing Scheme.

(iv) On 21st October, 1982, the authorised share capital was increased from £1,000,000 to £2,500,000 by the creation of 500,000 Ordinary Shares of £1 each and 512,499 Ordinary Shares of £2 each were issued by way of capitalisation of reserves.

(v) Immediately prior to 14th April, 1983, the authorised share capital was £1,600,000 divided into 660,000 Ordinary Shares of £1 each, 740,000 10 per cent. Cumulative Preference Shares of £1 each and 200,000 Unissued Shares of £1 each, of which 311,075 were issued fully paid or credited as fully paid (including 945 Ordinary Shares issued under the Profit Sharing Scheme referred to in paragraph 9 below), 740,000 10 per cent. Cumulative Preference Shares of £1 each of which 673,020 were issued fully paid or credited as fully paid and 200,000 Unissued Shares of £1 each, none of which were issued.

(vi) Pursuant to Special Resolutions passed at an Extraordinary General Meeting of the Company and an Extraordinary Resolution passed at a separate meeting of the holders of the Ordinary Shares, both held on 13th April, 1983, and with the written consent of the holders of all the Preference Shares—

(a) Each of the issued Preference Shares was converted, re-designated and sub-divided into one Ordinary Share of 3.721p each and one Restricted Share of 95.278p each;

(b) The Restricted Shares were purchased by the Company (under the provisions of the Companies Act 1981) at 1p per share for a total consideration of £1,730.20 and the 673,020 Restricted Shares were issued as fully paid or credited as fully paid, resulting from such purchase were consolidated into and redesignated as 673,020 Ordinary Shares of £1 each;

(c) The 673,020 Ordinary Shares of 3.721p each were consolidated into 23,044 Ordinary Shares of £1 each;

(d) Each of the 66,980 unissued but unissued Preference Shares was converted into and re-designated as one Ordinary Share of £1;

(e) Each of the 200,000 unissued Ordinary Shares of £1 each was converted into and re-designated as one Ordinary Share of £1;

(f) Each Ordinary Share (issued and unissued) was sub-divided into 5 Ordinary Shares of 20p each;

(g) The authorised share capital was increased from £2,500,000 to £4,000,000 by the creation of 6,195,816 new Ordinary Shares of 20p each and 1,304,184 Deferred Shares of 20p each;

(h) A capitalisation issue was made of 7,836,360 new Ordinary Shares of 20p each, credited as fully paid, on the basis of one new Ordinary Share for each existing Ordinary Share; and

(i) 60 per cent. of the total holding of Ordinary Shares of 20p each (including the Ordinary Shares derived from the conversion of the Preference Shares) registered in the name of each member was converted into and re-designated as Deferred Shares of 20p each.

(vii) Options to subscribe for Ordinary Shares in the Company have been granted and remain outstanding under the Savings-Related Share Option Scheme referred to in paragraph 8 below as follows—

Grantee	Number of Ordinary Shares (estimated for capital representation)	Exerciseable between 1st April and 30th September	Subscription price per share (estimated for capital representation)
1st March 1983			
1981	88,920	1986	33.3p
1982	112,000	1987	33.3p
1983	12,000	1988	40.0p
1984	30,400	1989	40.0p

These options have been granted to a total of 36 employees, the maximum number of Ordinary Shares for which any employee is entitled to subscribe being 14,400.

Articles of Association

2 The Articles of Association of the Company, adopted on 19th April, 1983, contain, inter alia, provisions to the following effect—

(a) Voting
On a show of hands, every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. A member shall not, unless the Directors otherwise determine, be entitled to vote if he or any person appearing to be authorised to represent him has been duly served with a notice under Section 74 of the Companies Act 1981 and has failed to supply to the Company the information thereby required within 42 days from the service of such notice.

(b) Directors
(i) The ordinary remuneration of the Directors shall from time to time be determined by the Directors and such remuneration shall be payable to them during the period in which they hold office. The Directors may be repaid such reasonable expenses incurred by them in attending and returning from meetings of the Directors or of a committee of the Directors or General Meetings of the Company or otherwise in or about the business of the Company. Any Director holding any executive office (including the Chairman or Deputy Chairman, even if non-executive) who serves on a committee or who performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

(ii) The Directors shall have power to pay and agree to pay pensions, gratuities and superannuation or other allowances or benefits to any Director or ex-Director or person or former employee of the Company or of any subsidiary or associated company or to such person's wife, widow, children or other relatives and dependants and for the purpose of providing any such pension or other benefit to contribute to any scheme or fund or to pay any premium.

(c) A Director shall not be entitled to vote or be counted in a quorum in respect of any contract or arrangement or any other proposal in which he has a material interest (otherwise than, inter alia, by virtue of his interest in shares or other securities of the Company) except that he shall be entitled to vote on any resolution concerning any of the following matters, namely—

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he or is to be interested as a participant in the underwriting or sub-underwriting thereof;

As Europe hopes for cheaper Russian gas, Americans fear President Reagan will make them pay more

Even as World oil prices fall, the United States Congress is shaping up as a strategic battlefield for a particularly bitter fight over the Reagan Administration's natural gas policy.

Not since the Opec oil price shocks of 1973 and 1979-80 have so many charges and counter-claims been made by so diverse a constituency as the industry and consumer groups currently gearing up in Washington for the great natural gas debate.

President Reagan triggered the confrontation, which recent presidents have attempted to avoid, by formally presenting Congress with oil-proposed legislation to decontrol all natural gas by 1986.

Europeans regard the decontrol plan as long overdue since it will remove what they regard as an important price advantage. United States industries have enjoyed as a result of artificially low, federally controlled gas prices.

But in America, where home owners have weathered a winter of discontent caused by soaring natural gas prices and producers have watched demand plummet, the response is by no means as favourable.

Even before Mr Reagan first announced his programme in February and presented it formally to the Congress last month, there was a well-organized consumer campaign to put political pressure on legislators to reverse a price decontrol plan for gas which began in 1973.

These same groups responded to Mr Reagan's proposals for total decontrol by releasing a study which showed that prices would rise even higher and the top 20 producers, all big oil companies, would benefit from a "windfall" profit estimated more than \$56,000m (£36,000m).

In addition, the smaller independent producers, a

America's energy price fight moves out of the suburbs

What could happen to US gas costs

	average cost per m.BTU's (1983-90)	total cost (1983-90)
	\$	\$ million
Under existing policy	1.51	29,500
Decontrolled prices	4.42	86,400

Estimates from American Petroleum Institute and Consumers Federation of America.

diverse group of wildcaters, family-owned businesses, limited partnerships and others who drill an estimated 70 per cent of the exploratory wells in the US, also raised strong objections.

At the heart of the dispute is a philosophical split over how a convoluted process by which the industry is regulated would be corrected and free market forces would eventually bring down prices.

"Just as deregulation of oil has led to a better deal for the American consumer, a freer market in natural gas will have the same beneficial effect," Mr Reagan said in announcing his decontrol plan.

But in recent weeks, a growing number of important characters in this new energy drama have come to believe that it would be wrong to allow old gas to be decontrolled because of the consumer costs involved and the windfall profits which will be made.

Even legislators from gas-producing states are beginning to have second thoughts about Mr Reagan's programme, which has lost some crucial support in Congress.

Mr Bennett Johnson, a Democrat from Louisiana, and Mr Don Nickles, a Republican from Oklahoma, indicated recently that even though they support decontrol, they are now against the inclusion of old gas in the programme.

Both men are sensitive to the fears of independent producers that they will lose more from possible declines in the price of new gas, than they would gain from big increases for the relatively small amounts of old gas they control.

Consumer anger over escalating natural gas prices is a big factor in the current debate. Although specialists do not seem able to agree on the reasons prices have been rising so sharply, there is unanimity on the fact that they have risen by an average of 25 per cent over the last year and will continue rising after decontrol.

The natural gas business is so complex and the regulatory structure which surrounds it so cumbersome, that there are now 37 different prices for the same simple substance. In some areas of the country, due to a system of rigid pipeline contracts, cheap gas is left in the ground while more expensive gas is shipped to industrial and residential users.

Energy specialists, noting that the industry is currently undergoing a crisis caused by dropping demand and increasing competition with other fuels, say the "cheap gas" era has been replaced by one in

which natural gas prices are almost as high as heating oil.

This has been particularly hard on residential users who are locked into gas as an energy source and have therefore borne the burden of high prices as industrial users utilizes their capacity to burn either fuel and switched to oil.

Analysts say there are a variety of factors which have caused prices to rise by an average of 20 per cent annually over the past six years including the following:

● The current recession has reduced the importance of price-sensitive industrial demand. In the early 1970s, industrial users accounted for almost 50 per cent of all gas usage. Now the total is much lower, in the 40 per cent range.

● A system of federal price controls begun in the late 1950s held prices artificially low until a limited decontrol was begun in 1978 with passage of the natural gas policy act.

● Rigid industry contracts allowed pipeline companies to keep up supplies at high prices during the shortages of the late 1970s. They are still required to pay these prices, even though cheaper gas is now plentiful and

the costs are being passed on to consumers.

The Reagan Administration contends that its proposals to lift all controls on old gas will have the effects of stabilizing and even reducing prices because it will give producers an incentive for bringing more of the cheaper gas to market.

Mr. Donald Hodel, the U.S. Energy Secretary, said as much as 5,000,000 to 11,000,000 cubic feet of additional old gas would be added to the nation's current old gas reserves of 60,000,000 cubic feet as a result of decontrol.

But consumer organizations and attorneys for independent gas companies were quick to point out that while more old gas will mean more of a windfall-profit for the big oil companies, it does not guarantee a decline in prices.

Old gas accounted for almost 56 per cent of all gas purchased by the biggest interstate pipelines last year. And the top 20 producers led by Mobil, Exxon, Texaco, Gulf and Shell, control more than 70 per cent of the old gas which they now sell to big pipelines at an average \$1.38 per 1,000 cubic feet.

Many of these wells were brought in years ago at little cost because supplies were easy to find around known geological formations and the old gas was at shallow levels. The government kept controls on the price of old gas on the theory that most drilling exploration costs have already been recovered and continuing production costs are low.

Under decontrol, however, producers of old gas would be able to double their prices and

in some cases, where old gas is selling for as little as 29 cents per 1,000 cubic feet, prices could rise by as much as 700 per cent.

New gas currently sells for an estimated \$3.30 per 1,000 cubic feet. By blending prices for old and new gas, the U.S. energy department estimates that the average price for all gas is now \$2.70 per 1,000 cubic feet.

After decontrol, the energy department estimates the average price for all gas sold will rise to \$3.60 per 1,000 cubic feet, with old gas jumping to an average near the \$3.00 level.

The trend towards sharply higher prices could begin even earlier under provisions of the Reagan bill, which would allow producers to break all outstanding contracts with pipelines as of January 1, 1985.

"On January 1, 1985, there will be a massive price shock as gas producers secure high prices for their old gas or exercise their newly granted power to bring the natural gas market to its knees," according to Mr Rush Moody, a former member of the US Federal Power Commission who is a private attorney in Washington.

Consumer lobbyists, in company with US utility companies who want to hold prices down, maintain this is too high a cost for the economy to absorb at a time when it is still recovering from recession.

"Under-investment in the non-energy sectors of the economy could well result from the transfers of huge amounts of money from consumers and industries to gas producers," the Consumers Federation of America, said, adding that this in fact occurred in 1981 when oil prices rose sharply.

In the end, political stalemate is likely to develop when the Senate debate formally opens this month.

Bailey Morris

American notebook

The US bounty of good news

It was hard to be discouraged about the American economy last week. It seemed as if the good news would never end.

Wall Street gave its own thumping verdict on the progress of the economy with record price levels on two successive days. Interest rates declined somewhat, following the previous week's small decline in money M1.

Federal funds traded down from the recent levels of more than 8 1/2 per cent down to 8 1/8 per cent, cheering the bond markets.

Inflation continued to fall as evidenced by the drop in the producer price index (wholesale prices). It fell 0.1 per cent in March bringing the annual rate of decline for the first quarter of the year up to 4.1 per cent. The biggest first-quarter decline for more than 30 years.

At the same time, the level of industrial production rose more quickly than expected by the "consensus" of economists in March. The index rose 1.1 per cent, following rises of 0.3 per cent in February and 1.5 per cent in January.

Another important indicator was the level of car sales in the first 10 days of March. The seasonally adjusted annual rate rose to 6.4 million for domestically produced vehicles, up from 6.3 million last month, 6.0 million in February and 6.1 million in January. Reflecting Wall Street's enthusiasm for car makers, Chrysler rose to more than \$21m and American Motors had a spectacularly successful new stock offering.

General Motors reported a

surprising rise of 55 per cent in its sales in the first 10 days of April, compared with a year previously.

Adding to the bounty of good news, the Federal Reserve announced last Friday night some healthy figures for money supply. M1 rose \$7,200m in the week to April 6 and M2 rose \$18,800m during March. These figures were both within the range of forecasts.

The bond markets have gained more confidence on these indications of slower growth in M1 and prices have recovered a little. But scepticism is deep seated. As an indication, the September 1983 treasury bond futures which were selling at 78 in the first week of November last year, were still at only 77 on Friday.

The fixed interest markets have been completely overshadowed by the stock markets in the past six months. This would seem likely to continue to be the case.

Mr David Hale, chief economist for Kemper Financial Services of Chicago - with \$15,000m under management - said recently, "The outlook for corporate profits during 1983 and 1984 continues to be excellent because of substantial reduction in company break-even points after three years of economic stagnation, and a large decline in business financing costs."

"Pretax corporate profits are likely to be \$161,000m in 1983 and \$204,000m in 1984,"

Maxwell Newton

OCTOPUS PUBLISHING GROUP PLC (Continued)

Share Incentive and Option Schemes

8 The Company has instituted a Profit Sharing Scheme, a Savings-Related Share Option Scheme and an Executive Share Option Scheme, the first two of which have been approved by the Inland Revenue under the appropriate statutory provisions. The Company will make application to the Council of The Stock Exchange for all shares issued under these Schemes to be admitted to the Official List. The Company in General Meeting or the Directors have the right to terminate the provisions of the Schemes at any time and certain provisions of the Schemes may be amended by the Directors, but not to the advantage of actual or prospective participants without the approval of the Company in General Meeting.

The Schemes, in addition to the statutory limitations, are subject to the following limits:-

(i) The maximum number of Ordinary Shares which may be issued during the next ten years in respect of all share incentive or option schemes will not exceed 1,563,272 being 10 per cent of the Company's issued equity share capital following the Offer for Sale.

(ii) The maximum number of Ordinary Shares which may be issued pursuant to Options granted under the Savings-Related Share Option Scheme and the Executive Share Option Scheme will not exceed in each case 782,636 being 5 per cent of the Company's issued equity share capital following the Offer for Sale or (when aggregated with Ordinary Shares issued or any Ordinary Shares in respect of which options have been granted (but excluding options which have lapsed) under any other share incentive or option schemes) 3 per cent of the Company's issued equity share capital in any three year period.

(iii) The maximum number of Ordinary Shares which may be issued in respect of the Profit Sharing Scheme in any year of assessment will not exceed 1 per cent, or (when aggregated with Ordinary Shares issued or any Ordinary Shares in respect of which options have been granted (but excluding options which have lapsed) under any other share incentive or option schemes) 3 per cent of the Company's issued equity share capital in any three year period.

(iv) The total amount which may be made available to the Profit Sharing Scheme in any year of assessment will not exceed (when aggregated with amounts allocated under any other profit sharing schemes which may be introduced) 5 per cent of the profits before tax, extraordinary items and minority interests which are, in the view of the Directors, attributable to the U.K. operations of the Company.

The number of Ordinary Shares referred to above (but not the percentages) will be adjusted to take account of any capitalisation or rights issue of shares by the Company.

Further particulars of each Scheme are set out below:-

(a) Profit Sharing Scheme

The Scheme is constituted by a Trust Deed dated 27th July 1979, as amended by a First Supplemental Trust Deed dated 25th September 1980, between the Company and the Trustees. Under the Scheme the Company will, having determined the amount of the profit to be allocated to the Scheme, provide the Trustees with funds to enable them to subscribe for and/or purchase Ordinary Shares which will then be appropriated to eligible employees who wish to participate in the Scheme. It is expected that the net allocation under the Scheme will be the major share of the profit for the year ending 31st December 1982. A provision for the cost of such allocation has been made in the accounts for that year.

All U.K. employees (including Directors other than Mr. P. B. W. Hamlyn) of the participating companies (which at present include the Company, Octopus Books Limited and Thargator Limited) who have been employed for at least one whole financial year or the Company are eligible to participate in the Scheme. Subject to the Directors' determination of the annual allocation for the Scheme, each eligible employee will be entitled to apply for an appropriation of Ordinary Shares having a market value equal to such percentage of his earnings as the Directors shall determine subject to a minimum equal to 5 per cent of his basic salary but with a maximum of £1,250 or such other amount not exceeding £5,000 as may be the maximum allowed by the appropriate statute or agreed with the Inland Revenue.

All Ordinary Shares appropriated under the Scheme will be held by the Trustees and be subject to the usual restrictions and obligations imposed on private share schemes under the Finance Act 1978 including in particular an obligation on the Trustees to vote such shares in accordance with the wishes of the participants.

(b) Savings-Related Share Option Scheme

All U.K. employees (including Directors other than Mr. P. B. W. Hamlyn) of the participating companies (which at present include the Company, Octopus Books Limited and Thargator Limited) who have been employed for at least one whole financial year or the Company are eligible to participate in the Scheme. Subject to the Directors' determination of the annual allocation for the Scheme, each eligible employee will be entitled to apply for an appropriation of Ordinary Shares having a market value equal to such percentage of his earnings as the Directors shall determine subject to a minimum equal to 5 per cent of his basic salary but with a maximum of £1,250 or such other amount not exceeding £5,000 as may be the maximum allowed by the appropriate statute or agreed with the Inland Revenue.

Each employee wishing to join the Scheme will be granted an Option to subscribe for Ordinary Shares in the Company at a price determined by the Directors being not less than the higher of (a) 90 per cent of the average market value of such shares over the earliest three consecutive dealing days within the week immediately preceding the date of the invitation to apply for participation and (b) their nominal value. Such Option, at the employee's choice, be for five or seven years (it will carry the same subscription price, the integral number of such shares to be subscribed for shall be not exceeding the amount of (a) the cost of a five year Option) 60 or 78 or (at the employee's choice) 96 months contributions.

Options of Options will normally only be made during the period between 14 and 42 days following the date of the preliminary announcement of the Company's results for the preceding year. It is expected that the next offer of Options will be made in or about June, 1983.

Options will normally only be exercisable for a period of six months commencing on the appropriate anniversary of the receipt of the relevant notice of exercise, or, if the employee is deceased, on the anniversary of his death, or on attainment of statutory pensionable age. Options are not transferable and will lapse if an Option holder leaves the service of the Group other than in the prescribed special circumstances mentioned above.

As soon as practicable after the exercise of an Option, the necessary shares will be allotted and issued to the Option holder concerned whereupon they will rank *pari passu* with the Ordinary Shares then in issue.

(c) Executive Share Option Scheme

The purpose of this Scheme is to enable selected executives of the Company and its subsidiaries to apply for Options to acquire Ordinary Shares in the Company. Invitations may be made under the Scheme once a year during the period between 14 and 42 days following the preliminary announcement of the Company's results for the preceding year. It is expected that the first invitations will be made in or about June, 1983. Each invitation will specify the number and price of the Ordinary Shares to be subscribed for as well as the performance, bonus or other condition to which, in the discretion of the Directors, exercise of the Option will be made subject. A consideration of £1 will be paid for the Option.

The Option Price will be the higher of the nominal value of the Shares and the average of the market value of the Shares over the earliest three consecutive dealing days within the week prior to the date on which such invitations are made.

No Options will be granted to a selected executive to the extent that their aggregate subscription price when aggregated with the current market value of shares subscribed for by him and the value of shares acquired by him or appropriated to him under any other share incentive or option schemes will exceed the lesser of four times his remuneration and £150,000.

An Option will normally only be exercisable between three and seven years from the date of its grant subject to such conditions as may be determined by the Directors. However, Options may be exercised earlier than three years in the event of death or (if the Directors in their sole discretion so agree) ceasing to be employed following pregnancy or confinement. In the event of an Option holder ceasing to be employed otherwise than for the reasons mentioned above or on retirement by reason of injury, disability or redundancy or on attainment of statutory pensionable age, then any outstanding Option may only be exercised to the extent so determined by the Directors in their sole discretion. In the event of takeover or reconstruction, any outstanding Options may be exercised within six months of such event occurring. On a voluntary winding-up, the entire period is 24 days following the date of the Resolution.

Ordinary Shares allotted and issued following the exercise of an Option will rank *pari passu* with the Ordinary Shares then in issue.

General

9 (i) The Directors of the Company are satisfied that the Group has sufficient working capital for its present requirements.

(ii) Octopus Publishing Group Public Limited Company is registered in England (No. 1002860) and was incorporated on 19th February, 1971 under the Companies Act 1949 to 1967.

(iii) N. M. Rothschild & Sons Limited is registered in England (No. 925279) and its registered office is at New Court, St. Swithin's Lane, London EC4P 4DU.

(iv) No commissions, discounts, brokerages or other special terms have been granted by the Company or any of its subsidiaries within the two years preceding this Offer for Sale in connection with the issue or sale of any share or loan capital of any such company.

(v) Neither the Company nor any of its subsidiaries has any litigation or claims of material importance threatened against it.

(vi) Coopers & Lybrand have given and not withdrawn their written consent to the issue of this Offer for Sale with the inclusion of their report and the references thereto in the form and content in which they are included.

(vii) The documents attached to the copies of this Offer for Sale delivered to the Registrar of Companies for registration were copies of the application form together with the covering Chairman's letter to U.K. employees, the written consent referred to in sub-paragraph (vi) above, the statement of Coopers & Lybrand setting out the arrangements made in arriving at the figures contained in their report (as set out herein) and giving the reasons therefor and copies of the companies documents referred to in paragraph 5 above.

(viii) Save as disclosed in sub-paragraph 3(i) above, at completion of this Offer for Sale it is not expected that there will be any significant transfer of share capital of the Company requiring to be disclosed pursuant to the provisions of the Companies Act 1981.

(ix) The financial information concerning the Company contained in this document does not amount to full individual accounts within the meaning of Section 11 of the Companies Act 1981. Full individual accounts relating to each financial year to which the financial information relates have been or will be delivered to the Registrar of Companies. The auditors have made a report under Section 14 of the Companies Act 1981 in respect of each set of accounts and each such report was an unqualified report within the meaning of Section 43 of the Companies Act 1980.

(x) A Certificate of Entitlement has been granted by the Council of The Stock Exchange pursuant to Section 39 of the Companies Act 1948.

Documents Available for Inspection

10 The following documents or copies thereof may be inspected at the offices of Linklaters & Paines, Barrington House, 59-67 Gresham Street, London EC2 during usual business hours on any weekday (Saturdays and Public Holidays excepted) for a period of fourteen days following the date of this Offer for Sale:-

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the audited consolidated accounts of the Company and its subsidiaries for the two financial years ended 31st December, 1981 and 31st December, 1982;
- (iii) the material contracts referred to in paragraph 5 above;
- (iv) the Rules and Trust Deeds of the Profit Sharing Scheme and the Rules of the Savings-Related Share Option Scheme and Executive Share Option Scheme together with a list containing full particulars of all Options granted under the Savings-Related Share Option Scheme, including the names and addresses of the Option holders;
- (v) the Accounts Report, the statement of adjustments relating thereto and the written consent referred to in sub-paragraph 3(v) above;
- (vi) the service contract referred to in sub-paragraph 3(vi) above and
- (vii) the undertakings given by Mr. S. M. Thomson and Mr. T. H. B. Clode referred to in sub-paragraph 3(v) above.

Dated 14th April, 1983.

Procedure for Application

Applications must be for a minimum of 100 shares and thereafter in the following multiples of shares:-

- Applications for more than 1,000 shares in multiples of 100 shares
- Applications for over 1,000 and not more than 5,000 shares in multiples of 500 shares
- Applications for over 5,000 and not more than 10,000 shares in multiples of 1,000 shares
- Applications for over 10,000 shares in multiples of 5,000 shares.

Applications must be made on the application forms provided and forwarded or handed in to National Westminster Bank PLC, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD, to arrive not later than 10.00 a.m. on Thursday, 21st April, 1983. Photostat copies of application forms will not be accepted.

A separate cheque or banker's draft must accompany each application form. Cheques or banker's drafts, which must be drawn in sterling on a branch, in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, of a bank which is either a member of the London or Scottish Clearing House or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for the members of those Clearing Houses and which must bear the appropriate sorting code number in the top right hand corner, must be made payable to "National Westminster Bank PLC" and crossed "Not Negotiable" and must represent payment in full at the price at which application is made. An application will not be considered unless these conditions are fulfilled. Special provisions will apply to Group employees in Hong Kong.

N. M. Rothschild & Sons Limited reserves the right to present all cheques and banker's drafts for payment on receipt, to retain letters of acceptance and surplus application monies pending the clearance of all cheques, to accept in part only or reject or scale down applications and, in particular, multiple or suspected multiple applications at any one price. Due completion and delivery of an application form accompanied by a cheque will constitute a representation that the cheque will be honoured on first presentation and attention is drawn to the declaration in the application form to that effect. Applications will be irrevocable until 28th April, 1983.

Subject as aforesaid, applications will be accepted on the following basis:-

- (a) All shares for which applications are wholly or partly accepted will be sold at the same price ("the striking price"), which will not necessarily be the highest price at which applications (including applications at higher prices) are received for the total number of Ordinary Shares offered under the Offer for Sale. In deciding the striking price and the basis of allocation, N. M. Rothschild & Sons Limited will have regard *inter alia* to the need to establish a satisfactory market in the shares.
- (b) Applications for shares at less than the striking price will receive no allocation of shares.
- (c) If applications are received for less than the total number of shares offered, the striking price will be the minimum tender price of 275p per share.
- (d) The striking price and the basis of allocation will be announced on or as soon as possible after 21st April, 1983.

Preference will be given in respect of a maximum of 10 per cent of the shares being offered for sale to applications made by employees of the Company and its U.K. and Hong Kong subsidiaries on the special pink forms provided for this purpose. These will specify the amount of money to be expended rather than the number of shares applied for and will confer preferential rights for such number of shares per employee as can be purchased at the striking price. In addition, such applicants may specify the maximum price at which they are prepared to apply for shares.

If any application is not accepted, the amount paid on application will be returned in full and, if any application is accepted for fewer shares than applied for or is made at a price higher than the striking price, the balance of the amount paid on application will be returned by cheque through the post, in all cases without interest.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the whole of the issued ordinary share capital of the Company to the Official List not later than 22nd April, 1983. Money collected in respect of applications will be returned if such condition is not satisfied by that date. All monies will be retained by National Westminster Bank PLC in a separate account. It is expected that dealings will commence not later than 28th April, 1983.

Renounceable letters of acceptance will be sent to successful applicants by not later than 27th April, 1983 and will be renewable up to 27th May, 1983. Letters of acceptance sent to Group employees in Hong Kong will not be renewable and such employees will have undertaken by their application not to dispose before 31st October, 1983 of any shares sold to them under the Offer for Sale. The shares now being offered for sale will be registered free of stamp duty and registration fees in the names of the purchasers or persons in whose favour letters of acceptance have been renounced, provided that, in the case of renunciation, letters of acceptance duly completed in accordance with the instructions contained therein are lodged for registration on or before 27th May, 1983. Share certificates will be despatched by first class post on 24th June, 1983.

All cheques and documents sent by post will be sent at the risk of the persons entitled thereto.

No person receiving a copy of this Offer for Sale and/or an application form in any territory other than the United Kingdom may from the time of its receipt as constituting an invitation to him, nor should he in any event use such application form, unless in the relevant territory such an invitation could lawfully be made to him or such form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any government or other consents which may be required or observing any other formalities needing to be observed in such territory. Notwithstanding these restrictions, Group employees in Hong Kong will be permitted to apply for shares on the special pink forms referred to below but must in no event distribute or cause to be distributed copies of this Offer for Sale or such forms in Hong Kong or elsewhere.

Availability of Copies

Copies of this Offer for Sale are available in London from:-

N. M. Rothschild & Sons Limited, Rouse & Plims, City Gate House, 39-45 Finsbury Square, London EC2

Outside London, copies are available from:-

Belfast: Ulster Bank Limited, Investment Division, 88 High Street, Belfast, Northern Ireland

Birmingham: National Westminster Bank PLC, 8 Bennetts Hill, Birmingham

Cardiff: National Westminster Bank PLC, 117 St. Mary Street, Cardiff

Edinburgh: National Westminster Bank PLC, 80 George Street, Edinburgh

Glasgow: National Westminster Bank PLC, 14 Blythswood Square, Glasgow

Leeds: National Westminster Bank PLC, 8 Park Row, Leeds

Manchester: National Westminster Bank PLC, 55 King Street, Manchester.

The Application List for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 21st April, 1983 and may be closed at any time thereafter.

OCTOPUS PUBLISHING GROUP PUBLIC LIMITED COMPANY

(Registered in England under the Companies Act 1948 to 1981 - No. 1002860)

Offer for Sale by Tender

by N. M. Rothschild & Sons Limited

of 3,100,000 Ordinary Shares of 20p each at a minimum price of 275p per share, the price tendered being payable in full on application.

UNLESS ALL THREE BOXES BELOW ARE PROPERLY COMPLETED THIS APPLICATION MAY BE TREATED AS INVALID.

* Applications must be for a minimum of 100 shares. Applications for not more than 1,000 shares must be in multiples of 100 shares; for over 1,000 and not more than 5,000 shares in multiples of 500 shares; for over 5,000 and not more than 10,000 shares in multiples of 1,000 shares and for over 10,000 shares in multiples of 5,000 shares.

** The price per share at which application is made must be inserted here and must be 275p or a higher price which is a multiple of 5p.

*** The number of shares applied for must be inserted by the price per share at which application is made.

Number of Ordinary Shares applied for	Price per share at which application is made
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ATHLETICS: LONDON MARATHON'S DOMESTIC DISPUTE SETTLED ON THE COBBLESTONES

Gratton keeps his head at the Tower

The cool English head of Mike Gratton, helped by some cool English rain, won the men's section of yesterday's third GLC London Marathon sponsored by Gillette, by crucial seconds lost on slippery cobblesstones, probably deprived Norway's Greta Waitz of a new women's world best time.

Gratton, who was third last year, and then took the bronze medal in the Commonwealth Games marathon, was right on his pre-race schedule of 64min 30sec at the halfway point with a view to

finishing in 2hr 9min. But he began to wonder if he had underestimated the opposition, since Emiel Puttemans, of Belgium, was leading three of the feared Ethiopians over 20sec in front of him at that point.

Gratton, however, was just 10 minutes later, at the 15-mile mark his chasing group caught the leaders. But having neutralized the overseas threat, Gratton suddenly found a much bigger domestic problem: 20 his hand.

Gerry Helme, of St Helen's had

decided to throw off the pressures of working towards his college finals only two days before the race, and started to put some of his own pressure on Gratton. Helme's late decision to run came from having done the fastest leg in the Northern Road Relay the previous week.

But then on the cobblesstones under Tower Bridge Gratton saw Helme stiffen and made his break. Helme blamed the slippery cobblesstones with which last year's women's winner, Joyce Smith, had had problems. Although Helme never gave up, in the last three miles he conceded almost 30sec to Gratton, who finished in 2hr 9min 31sec, just 18sec outside Helme's best from last year.

The problems of dealing with 16,000 competitors by computer were again too much for the organizers, and Greta Waitz was tantalized with a finishing time one second inside the official world best of 2hr 25min 29sec. But then she amended to equal Allison Roe's mark from New York two years ago.

But, as Mrs Waitz pointed out, the New Zealanders is racing in the Boston marathon today and this could be one of the shortest world bests on record. Both Gratton, with a training programme that has kept him from injury in the last months, and Helme, who has curtailed his training because of studies, fit the sensible bill that former champion Ron Hill would like to see in domestic marathons.

And their approach has earned them an early place for the British team in the first world championships in Helsinki in August.

From a British point of view, the women's championship race was far from satisfying. As one of the nations who have nurtured women's marathon running, the time of the 30min 31sec for Glynis Kennedy and 2hr 38min 11sec for Katherine Binns, although gaining them selection for Helsinki, are not going to win them any medals when they get there.

Westminster peer: Gratton's timing is as perfect as Big Ben's

Photograph: John Voos.

Leading finishers

Men: 1. M. Gratton, 2hr 9min 31sec; 2. G. Helme, 2hr 10min 19sec; 3. H. Jorgensen (Den), 2hr 10min 41sec; 4. K. Waitz, 2hr 11min 31sec; 5. J. Dingwall, 2hr 11min 44sec; 6. R. Orsiga (Sp), 2hr 11min 44sec; 7. M. McCarthy, 2hr 11min 44sec; 8. E. Puttemans (Bel), 2hr 11min 44sec; 9. D. Waitz, 2hr 11min 44sec; 10. D. Waitz, 2hr 11min 44sec; 11. D. Waitz, 2hr 11min 44sec; 12. F. Van Der Vennet (Bel), 2hr 11min 44sec; 13. R. Crabbe, 2hr 11min 44sec; 14. D. Fowler, 2hr 11min 44sec; 15. R. Crabbe, 2hr 11min 44sec; 16. D. Fowler, 2hr 11min 44sec; 17. R. Crabbe, 2hr 11min 44sec; 18. D. Fowler, 2hr 11min 44sec; 19. R. Crabbe, 2hr 11min 44sec; 20. D. Fowler, 2hr 11min 44sec; 21. R. Crabbe, 2hr 11min 44sec; 22. D. Fowler, 2hr 11min 44sec; 23. R. Crabbe, 2hr 11min 44sec; 24. D. Fowler, 2hr 11min 44sec; 25. R. Crabbe, 2hr 11min 44sec; 26. D. Fowler, 2hr 11min 44sec; 27. R. Crabbe, 2hr 11min 44sec; 28. D. Fowler, 2hr 11min 44sec; 29. R. Crabbe, 2hr 11min 44sec; 30. D. Fowler, 2hr 11min 44sec; 31. R. 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